



## Third quarter 2024 – Elkem continues to improve profitability despite weak markets

Oslo, 24 October 2024

**Elkem reported an EBITDA of NOK 1,235 million in the third quarter 2024, the highest since the first quarter 2023. The improved result was mainly driven by higher sales volume and operational improvements in the Silicones division.**

Elkem's total operating income for the third quarter 2024 was NOK 8,056 million, an increase of 3% compared to the third quarter 2023. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was NOK 1,235 million, which was the highest since the first quarter 2023. Earnings per share (EPS) was NOK 0.15 in the quarter, and NOK 0.80 year-to-date.

"While key markets remain weak, Elkem continues to strengthen profitability. The Silicones division improved results in the third quarter mainly due to higher sales volume, operational improvements and positive effects from the new production line in China, delivering an EBITDA contribution of NOK 75 million in the quarter. Silicones markets remain challenging, but Chinese sales prices for commodity products was improving and Elkem implemented price increases on its speciality grades. The Silicon Products and Carbon Solutions divisions were impacted by low sales volumes, yet continued to deliver strong results," says Elkem CEO Helge Aasen.

Sustainability is an integrated part of Elkem's strategy. In August, Elkem was awarded Platinum rating from EcoVadis, a globally trusted provider of business sustainability rating. The Platinum rating is awarded to the top 1% of global companies. This rating is a recognition of our commitment to corporate social responsibility and reflects the efforts we make in our operations and along our supply chain.

Elkem is committed to reducing CO<sub>2</sub> emissions from its production process and is researching a groundbreaking concept for silicon production. The concept involves capturing and recycling the carbon in the process off-gas and reusing it in the production process. The project received a NOK 31 million grant from Enova earlier this year, and NOK 20 million in funding from the EU in October as part of a Horizon Europe project.

Elkem has introduced a comprehensive improvement programme to counter weak macro-economic conditions and challenging markets. The programme is delivering good results. The target is to improve EBITDA by at least NOK 1.5 billion and to reduce capital expenditures by NOK 2.0 billion compared to 2023. By the end of the third quarter, Elkem had realised EBITDA improvements of NOK 1.0 billion, with an estimated full-year effect of NOK 1.4 billion for 2024. Elkem's capital expenditures amounted to NOK 1.9 billion by the end of the third quarter, ahead of target.

The group's equity as at 30 September 2024 amounted to NOK 25,689 million, which gave a ratio of equity to total assets of 49%. Net interest-bearing debt was NOK 9,939 million, which gave a ratio of net interest-bearing debt to EBITDA of 2.7x. Elkem has reclassified bank bills in China with effect from 1 July 2024. Bank bills are deemed to be part of the operational activities linked to the product cycle and hence no longer included in interest-bearing debt. This change has positively impacted the leverage ratio by 0.3x. Elkem had cash and cash equivalents of NOK 6,521 million as at 30 September 2024, and undrawn credit lines of more than NOK 6,000 million. In September, Elkem successfully issued NOK 1,500 million of new senior unsecured bonds with tenors of 3, 5 and 7 years. The bond proceeds will mainly be used to refinance debt falling due in 2024 and 2025.

While the market sentiment continues to be relatively weak, Elkem benefits from strong cost and market positions, and well-defined improvement programmes. The Silicones markets are still

challenging, however the division expects to continue benefitting from the EBITDA improvement programme and higher sales volume. The Silicon Products division expects relatively stable market conditions, but somewhat lower realised sales prices in the fourth quarter. The Carbon Solutions division expects to deliver stable performance, taking advantage of its strong market position and geographical diversification.

**For further information, please contact:**

Odd-Geir Lyngstad  
VP Finance & Investor Relations  
Tel: +47 976 72 806  
Email: [odd-geir.lyngstad@elkem.com](mailto:odd-geir.lyngstad@elkem.com)

Marianne Stigset  
VP Corporate Communications & Public Affairs  
Tel: +47 411 88 482  
E-mail: [marianne.stigset@elkem.com](mailto:marianne.stigset@elkem.com)

**About Elkem**

Elkem is one of the world's leading providers of advanced silicon-based materials shaping a better and more sustainable future. The company develops silicones, silicon products and carbon solutions by combining natural raw materials, renewable energy and human ingenuity. Elkem helps its customers create and improve essential innovations like electric mobility, digital communications, health and personal care as well as smarter and more sustainable cities. With a strong track record since 1904, its global team of more than 7,400 people has a joint commitment to stakeholders: Delivering your potential. In 2023, Elkem achieved an operating income of NOK 35.5 billion and CDP ratings of A on Forests, and A- on Climate Change and Water Security. Elkem is listed on the Oslo Stock Exchange (ticker: ELK), where the company is also included in the ESG Index. [www.elkem.com](http://www.elkem.com)