

First quarter 2025 – Elkem well positioned in turbulent markets

Oslo, 30 April 2025

Elkem's EBITDA for the first quarter 2025 was NOK 898 million, up from NOK 721 million in the corresponding quarter last year. The first quarter was characterised by weak demand and turbulent markets. In addition, results were impacted by maintenance stops and power curtailment. The strategic review to streamline the company's business portfolio is underway, with a target to conclude before year-end.

Elkem's total operating income for the first quarter 2025 was NOK 8,016 million, which was 1 per cent higher than the first quarter 2024. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was NOK 898 million, up 25 per cent from the corresponding quarter last year. Earnings per share (EPS) was NOK -0.33 in the quarter, negatively impacted by the results in Silicones, which has been classified as discontinued operations.

In the first quarter, the Silicones division delivered an EBITDA significantly higher compared to the same period last year and a 16 per cent increase in operating income, in large part due to improved cost positions. The Silicon Products division was impacted by generally weak markets, maintenance stops in Norway and power curtailment in Iceland, resulting in a 12 per cent reduction in total operating income and 28 per cent EBITDA decline year-on-year. Carbon Solutions maintained a stable performance and high margins, reporting a 3 per cent increase in total operating income and a 5 per cent increase in EBITDA year-on-year.

"Market uncertainty has been ramping up due to geopolitical turmoil and trade tensions, which could dampen global economic growth. However, Elkem's geographically diversified production sites may offer strategic opportunities to mitigate the negative effects from trade measures," says Helge Aasen, CEO of Elkem. "Both the EU and the US are net importers of Elkem's products, including silicon, ferrosilicon, foundry alloys, and silicones. Thus, the direct effect of tariffs introduced on either side of the Atlantic could be modest on Elkem. Indirect effects in the form of reduced overall market demand could be more substantial, but our business model offers flexibility to address and mitigate this."

Elkem announced in January 2025 that it has initiated a strategic review of the Silicones division. The purpose of the review is to streamline Elkem and enable allocation of capital to accelerate growth in the Silicon Products and Carbon Solutions divisions. The Silicones division has been reclassified in the accounts as discontinuing operations and assets held for sale. The strategic review is underway, with a target to conclude before year-end.

Sustainability is an integrated part of Elkem's strategy. Elkem's climate strategy is built on two main pillars: to reduce CO₂ and other emissions, and to supply the green transition with critical materials. Elkem is engaged in several initiatives throughout the value chain to reduce emissions. Together with shipping partner NCL, the company is deploying two dual-fuel methanol 1,300 TEU container ships, which trade between Norway and Rotterdam. In April 2025, Elkem also launched a pioneering new range of recycled silicones for the label industry, with 70 per cent lower carbon footprint.

The group's equity as at 31 March 2025 amounted to NOK 24,875 million, which gave a ratio of equity to total assets of 50 per cent. Net interest-bearing debt was NOK 10,980 million, which gave a ratio of net interest-bearing debt to EBITDA of 2.5x. Elkem had cash and cash equivalents of NOK 4,427 million as at 31 March 2025, and undrawn credit lines of more than NOK 6,000 million.

Markets are characterised by significant uncertainty due to global trade tensions, but Elkem is well positioned due to diversified geographic footprint and independent value chains. Silicones markets are likely to be affected by trade tensions. Disruptions in the Chinese markets may be compensated by

new opportunities for Elkem's French production sites. Silicon Products continues to face low demand. EU reference prices for silicon metal have declined early second quarter, but the division still benefits from strong cost and market positions. Carbon Solutions benefits from good cost positions and geographically diverse market positions.

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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 7,200 people has a joint commitment to stakeholders: Delivering your potential. In 2024, Elkem achieved an operating income of NOK 33 billion. Elkem has been awarded top score of A on Forests and Water Security, and B on Climate Change from CDP. Elkem is listed on the Oslo Stock Exchange (ticker: ELK), where the company is also included in the ESG Index. www.elkem.com