

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 9, 2023



Century Aluminum Company

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-34474
(Commission File Number)

13-3070826
(IRS Employer Identification No.)

One South Wacker Drive
Suite 1000
Chicago
Illinois
(Address of Principal Executive Offices)

60606
(Zip Code)

(312) 696-3101

(Registrant's telephone number, including area code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, \$0.01 par value per share	CENX	Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 9, 2023, Century Aluminum Company (the "Company") issued a press release announcing its results of operations for quarter ended June 30, 2023. A copy of the Company's press release is attached as Exhibit 99.1 and is incorporated herein by reference.

The Company will hold a follow-up conference call on Wednesday, August 9, 2023, at 5:00 p.m. Eastern Time. The earnings call will be webcast live on the Company's website, located at www.centuryaluminum.com. Anyone interested in listening to the live webcast should plan to begin the registration process for the webcast at least 10 minutes before the live call is scheduled to begin. A replay of the webcast and associated presentation materials will be archived and available for replay approximately two hours following the live call.

The information in this Current Report and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

Exhibit Number	Description
99.1	Press Release dated August 9, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 9, 2023

CENTURY ALUMINUM COMPANY
By: /s/ GERALD C. BIALEK

Name: Gerald C. Bialek

Title: Executive Vice President and Chief Financial Officer
(Principal Financial Officer)



Century Aluminum Company Reports Second Quarter 2023 Results

Chicago, August 9, 2023 (GLOBE NEWSWIRE) -- Century Aluminum Company (NASDAQ: CENX) today announced its second quarter 2023 results.

Business Highlights

- Net sales \$575.5 million
- Realized LME aluminum price of \$2,371/T in second quarter is up \$21/T from prior quarter
- Decreased input costs mainly from reduced pricing across key energy markets
- Strong total liquidity of \$231.1 million as of June 30, 2023
- All operating smelters producing at targeted utilization levels
- Jamalco refinery exited Q2 at targeted production levels

Second Quarter 2023 Financial Results

	<u>\$MM (except shipments and per share data)</u>	
	<u>Q1 2023</u>	<u>Q2 2023</u>
Aluminum shipments (tonnes)	181,165	173,649
Net sales	\$ 552.4	\$ 575.5
Net (loss) income attributable to Century stockholders	\$ (38.6)	\$ 7.5
Diluted (loss) income per share attributable to Century stockholders	\$ (0.42)	\$ 0.07
Adjusted net (loss) income attributable to Century stockholders ⁽¹⁾	\$ (11.3)	\$ 15.5
Adjusted (loss) income per share attributable to Century stockholders ⁽¹⁾	\$ (0.11)	\$ 0.16
Adjusted EBITDA attributable to Century stockholders ⁽¹⁾	\$ 24.1	\$ 29.5

Notes:

⁽¹⁾ Non-GAAP measure; see reconciliation of GAAP to non-GAAP financial measures.

Net sales for the second quarter ended June 30, 2023 increased by 4 percent sequentially primarily due to higher realized aluminum prices.

Century reported net income attributable to Century stockholders of \$7.5 million for the second quarter of 2023, a \$46.1 million improvement sequentially. Second quarter results were impacted by \$8.2 million of net exceptional items, in particular \$6.6 million lower of cost or net realizable value adjustment, net of tax, \$3.6 million in curtailment costs related to the Hawesville plant, \$1.6 million in share-based compensation costs and \$0.7 million related to one-time transaction costs associated with the Jamalco acquisition, partially offset by \$(4.3) million of unrealized gains on derivative instruments. Thus, Century reported an adjusted net income of \$15.5 million for the second quarter of 2023, a \$26.8 million improvement sequentially.

Adjusted EBITDA attributable to Century stockholders for the second quarter of 2023 was \$29.5 million. This was an improvement of \$5.4 million from the prior quarter, primarily driven by lower energy costs, partially offset by unfavorable sales mix and planned for operational spend to maintain stability.

Century's liquidity position at quarter end was \$231.1 million, a decrease of \$10.9 million from the prior quarter.

“Global conditions remain complex, with rising interest rates slowing Western economies over the first half and impacting our markets,” commented President and Chief Executive Officer Jesse Gary. “Despite these macro challenges, Century’s continued focus on cost discipline and operational performance puts us in a strong position to continue to deliver robust results despite a declining aluminum price.”

“We made good progress over the second quarter towards integrating our new Jamalco operations into the broader Century team,” continued Mr. Gary. “In Iceland, our billet casthouse project remains on schedule to deliver Natur-Al™ green billet products in the first quarter of 2024. Overall, operational performance across Century’s smelters was excellent in the quarter; we will remain focused over the back half of the year on consistent and safe operational execution.”

Third Quarter 2023 Outlook

The company expects third quarter Adjusted EBITDA to range between \$10 to \$20 million based on decreased LME prices and VAP sales, partially offset by improved volume and lower raw material prices and operating costs.

About Century Aluminum Company

Century Aluminum Company owns primary aluminum capacity in the United States and Iceland. Century's corporate offices are located in Chicago, IL. Visit www.centuryaluminum.com for more information.

Non-GAAP Financial Measures

Adjusted net income (loss), adjusted earnings (loss) per share and adjusted EBITDA are non-GAAP financial measures that management uses to evaluate Century's financial performance. These non-GAAP financial measures facilitate comparisons of this period's results with prior periods on a consistent basis by excluding items that management does not believe are indicative of Century's ongoing operating performance and ability to generate cash. Management believes these non-GAAP financial measures enhance an overall understanding of Century's performance and our investors' ability to review Century's business from the same perspective as management. The tables below, under the heading "Reconciliation of Non-GAAP Financial Measures," provide a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Century's reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, adjusted net income (loss), adjusted earnings (loss) per share and adjusted EBITDA included in this press release may not be comparable to similarly titled measures of other companies. Investors are encouraged to review the reconciliations in conjunction with the presentation of these non-GAAP financial measures.

Cautionary Statement

This press release and statements made by Century Aluminum Company management on the quarterly conference call contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are statements about future events and are based on our current expectations. These forward-looking statements may be identified by the words "believe," "expect," "hope," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," "project," "scheduled," "forecast" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may." Our forward-looking statements include, without limitation, statements with respect to: Our assessment of global and local financial and economic conditions; our assessment of the aluminum market and aluminum prices (including premiums); Our assessment of alumina pricing, the outlook on when energy prices, both in the United States and Europe, may return to more normalized levels, costs associated with our other key raw materials, and supply and availability of those key raw materials, including power (and related natural gas and coal), the likelihood and extent of any power curtailments; Our assessment of power price and availability for our U.S. and European operations; The impact of the COVID-19 pandemic, and governmental guidance and regulations aimed at addressing the pandemic, including any possible impact on our business, operations, financial condition, results of operation, global supply chains or workforce; The impact of the war in Ukraine, including any sanctions and export controls targeting Russia and businesses tied to Russia and to sanctioned entities and individuals, including any possible impact on our business, operations, financial condition, results of operations and global supply chains; The future financial and operating performance of Century and its subsidiaries; Our ability to successfully manage market risk and to control or reduce costs; Our plans and expectations with respect to future operations of the Company and its subsidiaries, including any plans and expectations to curtail or restart production, including the expected impact of any such actions on our future financial and operating performance; Our plans and expectations with regards to future operations of our Mt. Holly smelter, including our expectations as to the restart of curtailed production at Mt. Holly, including the timing, costs and benefits associated with restarting curtailed production; Our plans with regards to future operations of our Hawesville smelter, including our expectations as to the timing, costs and benefits associated with restarting curtailed production; Our plans and expectations with regards to the Grundartangi casthouse project, including our expectations as to the timing, costs and benefits associated with the Grundartangi casthouse project; Our plans and expectations with respect to the acquisition of a 55% interest in Jamalco, including our expectations as to the costs and benefits associated with this transaction; Our ability to successfully obtain and/or retain competitive power arrangements for our operations; The impact of Section 232 relief, including tariffs or other trade remedies, the extent to which any such remedies may be changed, including through exclusions or exemptions, and the duration of any trade remedy; The impact of any new or changed law, regulation, including, without limitation, sanctions or other similar remedies or restrictions or any changes in interpretation of existing laws or regulations; Our anticipated tax liabilities, benefits or refunds including the realization of U.S. and certain foreign deferred tax assets and liabilities; Our ability to access existing or future financing arrangements and the terms of any such future financing arrangements; Our ability to repay or refinance debt in the future; Our ability to recover losses from our insurance; Our assessment and estimates of our pension and other postretirement liabilities, legal and environmental liabilities and other contingent liabilities; Our assessment of any future tax audits or insurance claims and their respective outcomes; Negotiations with labor unions or future representation by a union of our employees; Our assessment of any information technology-related risks, including the risk from cyberattacks or other data security breaches, including the cybersecurity incident that occurred on February 16, 2022; Our plans and expectations regarding potential M&A including our ability to consummate such transactions and our assessments of certain risks associated with the same,

including, for example, unforeseen costs and expenses associated with unidentified liabilities, and difficulties integrating an acquired asset into our existing operations; Our future business objectives, plans, strategies and initiatives, including our competitive position and prospects.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. Important factors that could cause actual results and events to differ from those described in such forward-looking statements can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K, Quarterly reports on Form 10-Q and in other filings made with the Securities and Exchange Commission. Although we have attempted to identify those material factors that could cause actual results or events to differ from those described in such forward-looking statements, there may be other factors that could cause actual results or events to differ from those anticipated, estimated or intended. Many of these factors are beyond our ability to control or predict. Given these uncertainties, the reader is cautioned not to place undue reliance on our forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(Unaudited)

	Three months ended	
	March 31, 2023	June 30, 2023
NET SALES:		
Related parties	\$ 412.2	\$ 427.2
Other customers	140.2	148.3
Total net sales	552.4	575.5
Cost of goods sold	504.3	559.6
Gross profit	48.1	15.9
Selling, general and administrative expenses	13.4	12.0
Other operating expense - net	7.2	4.6
Operating income (loss)	27.5	(0.7)
Interest expense	(8.7)	(8.7)
Interest income	0.3	0.4
Net (loss) gain on forward and derivative contracts	(57.6)	9.1
Other expense - net	(0.3)	(3.5)
Loss before income taxes	(38.8)	(3.4)
Income tax benefit	0.2	10.0
(Loss) income before equity in earnings of joint ventures	(38.6)	6.6
Equity in losses of joint ventures	—	0.0
Net (loss) income	(38.6)	6.6
Net loss attributable to noncontrolling interests	—	(0.9)
Net (loss) income attributable to Century stockholders	(38.6)	7.5
Less: net income allocated to participating securities	—	0.4
Net (loss) income allocated to common stockholders	\$ (38.6)	\$ 7.1
(LOSS) INCOME ATTRIBUTABLE TO CENTURY STOCKHOLDERS PER COMMON SHARE:		
Basic	\$ (0.42)	\$ 0.08
Diluted	(0.42)	0.07
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	92.3	92.3
Diluted	92.3	93.2

CENTURY ALUMINUM COMPANY
CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)
(Unaudited)

ASSETS	December 31, 2022	June 30, 2023
Cash and cash equivalents	\$ 54.3	\$ 50.6
Restricted cash	1.2	10.9
Accounts receivable - net	66.9	48.8
Due from affiliates	4.8	18.2
Inventories	398.8	510.8
Derivative assets	127.3	34.5
Prepaid and other current assets	24.5	26.2
Total current assets	<u>677.8</u>	<u>700.0</u>
Property, plant and equipment - net	744.4	860.8
Deferred tax assets	0.2	110.8
Other assets	49.6	75.7
TOTAL	<u>\$ 1,472.0</u>	<u>\$ 1,747.3</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 167.3	\$ 191.2
Accrued compensation and benefits	33.0	42.3
Due to affiliates	17.0	13.8
Accrued and other current liabilities	37.6	66.6
Derivative liabilities	9.7	3.6
Deferred credit - preliminary bargain purchase gain	—	103.3
Iceland term facility	13.3	8.6
U.S. revolving credit facility	90.0	63.2
Iceland revolving credit facility	35.0	73.0
Industrial revenue bonds	7.8	7.8
Total current liabilities	<u>410.7</u>	<u>573.4</u>
Senior notes payable	246.6	247.0
Convertible senior notes payable	84.4	84.5
Grundartangi casthouse debt facility	49.4	69.3
Iceland term facility, net of current portion	1.2	—
Accrued benefit costs - less current portion	118.0	116.8
Other liabilities	10.5	11.1
Leases - right of use liabilities	20.9	21.8
Due to affiliates - less current portion	8.3	1.5
Deferred tax liability	103.1	93.0
Asset retirement obligation	19.6	124.1
Total noncurrent liabilities	<u>662.0</u>	<u>769.1</u>

CENTURY ALUMINUM COMPANY
CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)
(Unaudited)

SHAREHOLDERS' EQUITY:

Series A Preferred stock (one cent par value, 5,000,000 shares authorized; 160,000 issued and 53,854 outstanding at December 31, 2022 and 160,000 issued; 53,706 outstanding at June 30, 2023)	0.0	0.0
Common stock (one cent par value, 195,000,000 authorized; 99,510,499 issued and 92,323,978 outstanding at December 31, 2022; 99,545,070 issued and 92,358,549 outstanding June 30, 2023)	1.0	1.0
Additional paid-in capital	2,539.6	2,541.0
Treasury stock, at cost	(86.3)	(86.3)
Accumulated other comprehensive loss	(94.0)	(90.7)
Accumulated deficit	(1,961.0)	(1,992.1)
Total Century shareholders' equity	399.3	372.9
Noncontrolling interest	—	31.9
Total equity	399.3	404.8
TOTAL	\$ 1,472.0	\$ 1,747.3

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)
(Unaudited)

	Six months ended June 30,	
	2022	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 55.1	\$ (32.0)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Unrealized (gain) loss on derivative instruments	(217.5)	66.3
Lower of cost or NRV adjustment	52.8	—
Depreciation and amortization	42.1	31.5
Deferred tax provision (benefit)	41.9	(12.6)
Asset impairment charge	159.4	—
Other non-cash items - net	(9.0)	3.7
Change in operating assets and liabilities, net of acquisition:		
Accounts receivable - net	(41.6)	26.0
Due from affiliates	(8.7)	(12.2)
Inventories	(43.0)	(18.5)
Prepaid and other current assets	1.1	7.7
Accounts payable, trade	47.5	(72.9)
Due to affiliates	(28.8)	7.7
Accrued and other current liabilities	16.6	3.0
Other - net	0.7	0.4
Net cash provided by (used in) operating activities	<u>68.6</u>	<u>(1.9)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(51.8)	(36.6)
Proceeds from sale of property, plant and equipment	0.1	—
Acquisition of subsidiary net of cash acquired	—	19.4
Net cash used in investing activities	<u>(51.7)</u>	<u>(17.2)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under revolving credit facilities	596.4	407.8
Repayments under revolving credit facilities	(660.0)	(396.6)
Debt issuance costs	(1.5)	—
Repayments of Iceland term facility	—	(6.1)
Borrowings under Grundartangi casthouse debt facility	40.0	20.0
Net cash (used in) provided by financing activities	<u>(25.1)</u>	<u>25.1</u>
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(8.2)	6.0
Cash, cash equivalents and restricted cash, beginning of period	40.7	55.5
Cash, cash equivalents and restricted cash, end of period	<u>\$ 32.5</u>	<u>\$ 61.5</u>

Supplemental Cash Flow Information:

Cash paid for:		
Interest	\$ 13.1	\$ 17.9
Taxes, net of refunds	1.2	(0.3)
Non-cash investing activities:		
Capital expenditures	2.6	7.8
Capitalized Interest	2.9	2.3

CENTURY ALUMINUM COMPANY
SELECTED OPERATING DATA
(in millions, except shipments)
(Unaudited)

SHIPMENTS - PRIMARY ALUMINUM⁽¹⁾

	United States		Iceland		Total	
	Tonnes	Sales \$	Tonnes	Sales \$	Tonnes	Sales \$
2023						
2nd Quarter	97,224	\$ 296.4	76,425	\$ 212.3	173,649	\$ 508.7
1st Quarter	102,430	317.6	78,735	210.1	181,165	527.7
2022						
2nd Quarter	139,630	\$ 564.8	74,454	\$ 273.2	214,084	\$ 838.0
1st Quarter	134,953	494.8	76,458	247.5	211,411	742.3

⁽¹⁾ Excludes scrap aluminum sales, purchased aluminum and alumina sales.

CENTURY ALUMINUM COMPANY
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in millions, except per share amounts)
(Unaudited)

	Three months ended			
	March 31, 2023		June 30, 2023	
	\$MM	EPS	\$MM	EPS
Net (loss) income attributable to Century stockholders⁽¹⁾	\$ (38.6)	\$ (0.42)	\$ 6.9	\$ 0.07
Lower of cost or NRV inventory adjustment, net of tax	(25.6)	(0.28)	6.6	0.06
Unrealized loss (gain) on derivative contracts, net of tax	47.8	0.52	(4.3)	(0.04)
Hawesville curtailment costs	5.4	0.06	3.6	0.04
Share-based compensation	2.2	0.02	1.6	0.02
Litigation settlement	(2.5)	(0.03)	—	—
Jamalco acquisition costs	—	—	0.7	0.01
Impact of preferred and convertible shares	—	0.02	0.4	—
Adjusted net (loss) income attributable to Century stockholders	<u>\$ (11.3)</u>	<u>\$ (0.11)</u>	<u>\$ 15.5</u>	<u>\$ 0.16</u>

Notes:

⁽¹⁾ In periods of positive earnings, this represents earnings allocated to participating dilutive shares. For the three months ended June 30, 2023, this includes earnings allocated to common stockholders reduced by \$0.2 million in share-based compensation related to the equity classified awards.

	Three months ended	
	March 31, 2023	June 30, 2023
Net (loss) income attributable to Century stockholders, as reported	\$ (38.6)	\$ 7.5
Add: Net loss attributable to noncontrolling interests	—	(0.9)
Net (loss) income	(38.6)	6.6
Interest expense	8.7	8.7
Interest income	(0.3)	(0.4)
Net gain (loss) on forward and derivative contracts	57.6	(9.1)
Other income - net	0.3	3.5
Income tax benefit	(0.2)	(10.0)
Operating income (loss)	27.5	(0.7)
Lower of cost or NRV inventory adjustment	(26.2)	6.4
Hawesville curtailment costs	5.4	3.6
Share-based compensation	2.2	1.4
Litigation settlement	(2.5)	—
Jamalco acquisition costs	—	0.7
Depreciation and amortization	17.7	17.2
Adjusted EBITDA	24.1	28.6
Less: Adjusted EBITDA attributable to noncontrolling interests	—	(0.9)
Adjusted EBITDA attributable to Century stockholders	<u>\$ 24.1</u>	<u>\$ 29.5</u>

Contact

Ryan Crawford
(Investors and media)
312-696-3132

Source: Century Aluminum Company