

# **CENTURY ALUMINUM COMPANY: 1<sup>st</sup> Quarter 2025 Earnings Call**

May 7, 2025/4:00 p.m. CDT

## **SPEAKERS**

Jesse Gary, President, Chief Executive Officer & Director  
Peter Trpkovski, Executive Vice President, Chief Financial Officer and Treasurer  
Ryan Crawford, Investor Relations & Director of Financial Planning and Analysis

## **ANALYSTS**

John Tumazos, Analyst  
Katja Jancic, Analyst  
Nick Giles, Analyst

## **PRESENTATION**

### **Operator**

Good afternoon. Thank you for attending Century Aluminum Company First Quarter 2025 Earnings Conference Call. My name is Micaiah and I'll be your moderator for today's call. All lines will be muted during the presentation portion of the call with an opportunity for your questions and answers at the end.

At this time, I'd like to pass the call over to our host, Ryan Crawford, Investor of Relations. Ryan, you may proceed.

### **Ryan Crawford**

Thank you, operator. Good afternoon, everyone, and welcome to the conference call. I'm joined here today by Jesse Gary, Century's President and Chief Executive Officer and Peter Trpkovski, Executive Vice President, Chief Financial Officer, and Treasurer.

After our prepared comments, we will take your questions. As a reminder, today's presentation is available on our website at [www.centuryaluminum.com](http://www.centuryaluminum.com). We use our website as a means of disclosing material information about the company and for complying with Regulation FD.

Turning to Slide 1, please take a moment to review the cautionary statements shown here with respect to forward-looking statements and non-GAAP financial measures contained in today's discussion.

And with that, I'll hand the call to Jesse.

## **Jesse Gary**

Thanks Ryan and thanks to everyone for joining.

Just before we dive into the results today, I'd like to congratulate Pete Trpkovski on his recent promotion to CFO. Many of you have gotten to know Pete over his last twelve years at Century. He has extensive knowledge of the Company's operations and a proven track record of success in every area that he has led. I have every confidence that his expertise and leadership will continue to drive Century's long-term success as we move forward. Congrats Pete.

OK, I'll start today by reviewing our first quarter results and the strong market conditions we've had so far in 2025. I'll then walk through our operational performance for the quarter and some initiatives we have planned for Q2. Pete will then take you through the details of the Q1 results and our second quarter outlook before we turn the call over for questions.

Century's safety performance got off to a good start in Q1, with improved outcomes at each location versus last year. This is rewarding to see, as we continue to invest substantial time and effort towards improving the safety culture at each of our locations. Safety is our number one priority and is fundamental to our high performance culture.

Turning to financial results, Century generated \$78MM of Adjusted EBITDA in the first quarter, driving a reduction in net debt of \$55 million and increasing liquidity by \$94 million. Pete will walk you through the details here, but we were really pleased with the way the business performed and the excellent job the team did to bring working capital levels down in the quarter.

Overall, continued strong LME and rising Midwest premium offset higher energy prices in the first quarter. Realized LME prices averaged \$2,553 in Q1, while realized Midwest and European premiums averaged \$602 and \$336 in the quarter respectively. Regional premiums have seen the most movement so far in Q2, with spot Midwest premium today sitting at close to \$850/tonne following the implementation of the Section 232 tariffs and spot EDPP falling to roughly \$200/tonne. I will provide some more color on the Section 232 and other tariffs to conclude the call.

Turning to slide 4, cold winter temperatures led to higher realized market energy prices at Sebree in the first quarter. Prices have now returned to normalized levels in Q2. The polar vortex also led to unusually cold temperatures in South Carolina in Q1, which combined with generation outages, led Santee Cooper to declare an emergency economic curtailment across its system which affected Mt. Holly. While this did not result in an interruption in power supply, it did contractually allow Santee to pass along higher emergency power rates to Mt. Holly over several days. This was an extreme event, which we do not expect will occur in the future.

Turning to P. 5, as you can see in the top left graph, we expect constraints on new global supply to drive a global market deficit in 2025 of approximately 400,000 tonnes as China reaches its 45 million tonne production cap. Global inventories have reached new lows of only 46 days so far in Q2. These low inventory levels, combined with continued demand growth should be supportive of higher aluminum prices as we move forward in the year.

We have seen increasing demand in the US following the effectiveness of the revised Section 232 tariffs on aluminum in March, especially for domestically produced billets. Extrusion shipments were up 6.7% year over year in March, as downstream customers looked to shift supply chains back to the US. US billet orders have remained strong so far into Q2.

Turning to alumina, global supplies recovered from the extreme tightness we saw at year end, with market pricing returning to normalized levels over the quarter. Spot API prices are approximately \$350 today.

Turning to p. 6, you can see that coke, pitch and caustic soda prices rose in the first quarter but remain constructive at current price levels. HFO prices into Jamalco have fallen substantially recently in line with global oil prices, which should begin to roll through our results on a 1 month lagged basis and help to offset some of the increased caustic soda prices at the refinery.

Turning to operations, our assets continued to deliver strong operating results in Q1. In Iceland, Grundartangi returned to full production levels in March following the end of the previously announced power curtailments in Iceland. The team did an excellent job bringing the additional pots back online safely.

We are also very happy to announce that we reached an extension agreement with one of the largest power providers to the Grundartangi smelter, called ON Power, to continue to supply the plant into 2032. It was a pleasure to work with Arni Haraldsson and his team to reach this good outcome and we look forward to continuing working with ON for years to come.

Billet orders out of Grundartangi were a bit lower than anticipated in Q1 as demand weakness in the European market continued. We are seeing a small uptick in European billet orders as we enter Q2, but we will need to see this continue before we consider it a trend. Please just remember that the European billet market works a bit differently than the US, with the European market generally operating on a lagged-spot price basis versus the annual contracts we are used to in the US. So Grundartangi will be well positioned to benefit from higher spot prices when European demand recovers.

As discussed on the Q4 call, Mt. Holly did suffer some minor operational instability in Q4, as an excursion on the carbon side of the business increased operating costs and drove slightly lower production across the plant. Plant management has done a good job bringing production back to normalized levels, but it has taken a bit longer to bring the operational efficiencies back to where they should be, so this will remain a focus item as we progress through Q2.

At Jamalco, we are focused on executing the major capital improvement program we have previously discussed to return the refinery to its nameplate capacity levels of close to 1.4 million tonnes. The major focus item for this year is the installation of a new steam power generation turbine at the plant, which will enable Jamalco to be fully self sufficient in its power generation and lower its cost structure by reducing expensive third-party power purchases. We remain on track to complete this project by year-end and to begin realizing the cost savings from the project in Q1 2026.

Our evaluation process at Hawesville remains ongoing, with due diligence continuing among a group of interested parties. We will keep you updated on progress here as we move through the year and would expect to have a more fulsome update on our Q2 call.

Sebree had another excellent quarter in Q1, with quarter over quarter improvements across most operating KPIs, higher volume and lower operating costs. The continued strong performance at Sebree has given us the opportunity to bring forward some major maintenance in the carbon plant that we had originally planned for next year. During the quarter, we will take the green section of the carbon plant out of service and refurbish the anode press and ancillary equipment. By taking the outage now, it will reduce risk and improve reliability and operational performance of the carbon plant before we head into the hot summer months. The outage will drive a one-time increase in maintenance spend in the second quarter of about \$10 million. This will obviously not repeat in Q3 or beyond and we will reap the benefits of the increased reliability and operational security of this key area of the plant over the back half of 2025 and beyond.

With that, I'll turn it over to Pete to walk through the financials.

### **Peter "Pete" Trpkovski**

Thank you, Jesse. It's great to be with all of you again and I am really excited to be taking on this expanded role. I'll start by walking you through our financial performance for the first quarter and end with providing our outlook for the second quarter. Century delivered solid results in Q1 with \$78 million in adjusted EBITDA, this is down modestly from Q4, primarily due to polar vortex linked weather conditions impact on energy prices and one-time alumina costs, and partially offset by higher all-in metal prices. The core fundamentals of our business remain strong as we move into the second quarter.

Let's turn to Slide 7 and review our Q1 performance. On a consolidated basis, first quarter shipments rose slightly, nearing 169,000 tonnes, an increase of 1% sequentially as all smelters were operating at their targeted utilization levels by quarter end. As Jesse mentioned, Iceland power curtailments were fully lifted in March, allowing us to ramp our Grundartangi smelter back to full production.

At Jamalco, we had a strong start to the year producing our highest quarterly volume in Q1 since we acquired the refinery in 2023. Going forward, we remain focused on achieving lower cost of production as we continue to invest in our capital improvement program there, which I'll talk about in a few minutes.

Net sales for the quarter were \$634 million, a \$3 million increase due to higher metal volume and all-in metal pricing, partially offset by lower third-party alumina sales. For the quarter, we reported net income of \$30 million or \$0.29 per share. Our adjusted net income was \$37 million or \$0.36 per share, including an adjustment of \$4 million or \$0.04 share related to the emergency energy charges at Mt. Holly that Jesse previously discussed.

Adjusted EBITDA was \$78 million for the quarter. As we've discussed, the Section 232 aluminum tariffs were increased to 25% with no country or product exemptions on March 12. The MWP doubled soon after, from approximately \$0.20 pre announcement to nearly \$0.40 post announcement. Due to timing of the announcement, this partially benefited our first quarter result by \$16 million. The full

extent of the MWP uplift, and any additional upside will be realized in Q2 as pricing reflects a one-month contractual lag.

Moving on, we made meaningful progress to improve our balance sheet during the quarter. Liquidity increased to \$339 million, up nearly \$100 million quarter-over-quarter, and our cash balance stood at \$45 million. Net debt declined to \$442 million, a reduction of \$55 million from fourth quarter, positioning us well for continued capital discipline. The reduction in net debt and increased cash balances were funded by strong operating performance along with working capital improvements.

Overall, our Q1 results continue to reflect operational discipline and steady commercial performance.

Now, let's turn to page 8 and I'll provide a break down of adjusted EBITDA results from Q4 to Q1. Adjusted EBITDA for the first quarter decreased \$3 million to \$78 million.

Realized LME of \$2,553 per tonne was up \$91 versus prior quarter, while realized US Midwest Premium of \$602 per tonne was up \$165 and the realized European Delivery Premium remained flat at \$336 per tonne. Together, higher metal prices and regional premiums contributed an incremental \$36 million compared with the prior quarter.

Energy costs were higher, driven by polar vortex linked cold temperatures that increased market prices for energy at our U.S. operations and impacted adjusted EBITDA by \$18 million.

Alumina and our other raw materials was a \$27 million headwind quarter over quarter, in line with our previously provided outlook. As discussed on our last call, a force majeure event at our alumina supplier led to a one-time financial benefit in Q4 that did not repeat in Q1. As a result of the FM event, we procured additional alumina spot purchases at higher prices to mitigate shortfalls from the supplier. The impact of the higher priced purchases flowed through our results in Q1 due to our lagged FIFO accounting method.

We also recognized \$4 million in lower operating costs and a \$2 million benefit from volume and mix.

Now let's turn to Slide 9 for a look at cash flow. We began the quarter with \$33 million in cash, and \$78 million of adjusted EBITDA provided a strong base. We also made substantial progress optimizing working capital, which contributed an additional \$23 million in cash.

We strategically deployed these cash inflows across several priorities. We repaid \$45 million in short-term debt, as we remain focused on deleveraging the balance sheet. We also funded \$16 million of CapEx. This was anticipated and primarily focused on the Jamalco facility, where we aim to bring a new steam turbine generator online by year-end to increase power generation and lower production costs. We also paid \$7 million in normal interest and taxes in the quarter. We continued to accrue 45X production tax credits. As of March 31, we have a receivable of \$173 million related to full-year 2023, 2024, and the first quarter of 2025. We now expect to receive the

first cash payment of the fiscal year 2023 credit during Q2. We ended Q1 with \$45 million in cash and strong liquidity in place to support our strategy going forward.

Turning to slide 10, let's look ahead to the next 90 days. At current realized prices, we expect Q2 adjusted EBITDA in the range of \$80 to \$90 million.

For Q2, the lagged LME of \$2,513 per tonne is expected to be down about \$40 versus Q1 realized prices. The Q2 lagged US Midwest Premium reflects a full quarter of the new tariff level and is expected to be \$866 per tonne, up \$265. The European delivery premium is expected to be \$220 per tonne, or down about \$115. Taken together, the lagged LME and delivery premium changes are expected to have a \$10 million increase to Q2 adjusted EBITDA compared with Q1 levels.

U.S. energy prices have eased since the polar vortex like conditions in Q1 with U.S. Midwest Indiana hub prices already down approximately 15% compared with last quarter and we expect this to continue. Lower oil prices will also benefit the price of heavy fuel oil, a key input at our Jamalco refinery. At these prices, total energy tailwinds should contribute \$10 million.

Coke, pitch, and caustic prices have all increased in recent months and are expected to result in a \$5 to \$10 million headwind. We expect a one-time increase to operating expenses of \$10 to \$15 million split between normal planned summer labor increases and bringing forward the green mill outage at our Sebree, KY facility that Jesse mentioned. Taking this maintenance outage now allows us to increase reliability at one of our best performing assets over the past few years

Volume and mix should contribute a \$5 million benefit.

Finally, we also include the estimated hedge and tax impacts that are recorded below the line to help model our business. We expect a \$5 million headwind from realized hedge settlements and a similar amount from tax expense, both flowing through the Q2 P&L and impacting adjusted net income and adjusted earnings per share.

As a reminder, our appendix details the full hedge book and continues to show the vast majority of LME and regional premium volumes are exposed to market prices as our investors have requested.

We remain well-positioned to navigate near-term market dynamics and deliver long-term value for our shareholders while executing on critical business priorities within our control.

With that, I will hand the call back to Jesse to talk in more detail about tariffs.

**Jesse Gary**

Thanks Pete. Just before we move to questions, I'd like to thank President Trump again for the significant actions that he and his administration have taken to restore American manufacturing and stand up for American workers. The Section 232 tariffs have truly enabled a new future for the US aluminum industry.

Following the implementation of the Section 232 tariffs, we have seen the Midwest premium rise and stabilize around \$0.39. There was some significant frontrunning of foreign imports ahead of March 12th effective date that temporarily raised US inventory levels and has pressured the Midwest premium below \$0.40 while those inventories are consumed. We continue to believe that the MWP will rise to the .45-.50 range as those inventories are reduced over the next couple of months.

On April 2, President Trump took further action to restore the US manufacturing base through implementation of the reciprocal tariffs. We have long prided ourselves on sourcing locally for each of our operations and at Sebree and Mt. Holly we continue to source most of our key cost inputs from American suppliers. In response to the President's groundbreaking actions, we have now taken further steps to shorten and secure the remainder of our major supply chains consistent with the intent of the reciprocal tariff program. I'm proud to say that the team has done a fantastic job and we do not expect any material cost increases as a result of the program.

As the largest producer of primary aluminum in the United States, Century is doing its part to build and secure the aluminum production that is so essential to US national security needs. When complete, our new smelter project will represent the first new smelter built in the US in 50 years and will double the size of the existing US industry, creating over 1,000 full-time direct jobs and over 5,500 construction jobs. We look forward to working with the Trump Administration to make this industry changing project a reality.

We are ready for your questions and will turn the call over now to the operator.

## **Questions and Answers**

### **Operator**

Thank you. We will now begin today's Q&A session. [Operator Instructions]

The first question is from the line of Katja Jancic with BMO Capital Markets. You may proceed.

### **Katja Jancic**

Hi, thank you for taking my questions. Maybe starting on the second quarter guide. Just to confirm, the incremental OpEx costs of \$10 million to \$15 million, that is one time. So, in other words, in 3Q, that should reverse? Correct?

### **Jesse Gary**

That's correct. That should be one-time in Q2.

### **Katja Jancic**

And maybe just to clarify, I thought last quarter, some of the higher alumina costs were also one-time, which were expected to reverse. Is that not right? Because there's no benefits for alumina, I don't see it.

### **Jesse Gary**

Yes, that's correct. It's correct that it's one-time. And the explanation is that given the significant volatility in the alumina pricing, it mostly relates to timing of vessels sold to third parties. So, we did sell a very high-priced vessel in Q1. And by the time we reached our vessel that we were going to sell into Q2, the price had fallen.

So, most of that difference that you're seeing there relates to timing of vessels. We saw a little bit of cost pressure at Jamalco coming through in Q2 as well, and those really account for most of that \$10 million there.

### **Katja Jancic**

And then maybe on the manufacturing credit receivable, I think you mentioned that some of it is going to be received in 2Q. Can you provide how much you're expecting to receive? And then how we should think of the remaining receivables when that cash should come through?

### **Peter Trpkovski**

Hey Katja, it's Pete. If you remember back on the past few calls, we provided an overall annual estimate of \$70 million to \$80 million as it relates to the 45X production tax credits, which are owed to us by the U.S. government. So, now, as I said on the call, we expect to receive about \$60 million of our FY 2023 amount in Q2.

As you also may recall, at the end of last year, carbon costs weren't made eligible for the production tax credit until late last year. So, the remaining incremental \$20 million for a total of \$80 million is expected later this year or early next year.

**Katja Jancic**

And then similar for the rest, what you're going to be receiving through this year, it's always going to come in the second quarter?

**Peter Trpkovski**

No, we typically file around the end of the first quarter into the beginning of the second quarter. And you could expect in normal reoccurring timeline that we'll get our proceeds from those three to six months thereafter.

**Jesse Gary**

So, what Pete is saying, Katja, you could potentially see that the 2024 amounts coming through in late 2025 or early 2026.

**Operator**

Thank you. The next question is from the line of Nick Giles with B. Riley Securities. You may proceed.

**Nick Giles**

Thank you, operator. Good afternoon everyone. First, Pete, I wanted to say congratulations on stepping in on the new role that's well-deserved.

My first question, great to see your net debt move down and your liquidity has moved above your target range. So, I wanted to confirm whether reducing debt remains the top use of excess cash? And you've touched on some of this already, but are there any other cash flow considerations we should keep in mind as we try to model out the balance of the year?

**Jesse Gary**

Hey Nick, no, you pretty much got it. In the near term, we'll continue to prioritize paying down those debt levels, while also continuing on the existing CapEx programs that we've already talked to you about. So, priority as those additional cash amounts come in, will remain bringing down debt levels.

**Nick Giles**

Thanks for that. And my next one was you mentioned some cost pressures at Jamalco in 1Q. And I wanted to use that as an opportunity to get an update on the operations there. I mean, do you feel that there are further cost improvements to be made that might not be reflected in your guidance today? And then can you just remind us of any additional capacity and ultimately capital requirements?

**Jesse Gary**

Yes, absolutely, Nick. Great question. Yes, it was relatively minor in Q1 on the cost pressure side. Asset continues to operate well. And as we mentioned, it actually hit its highest quarterly volume levels in Q1 since we've owned the asset. So, the team is doing a good job driving improvements, just a little noise on the cost side in Q1 that should hopefully continue to reduce throughout the year.

Over the long-term, we continue to believe we'll be able to take that asset into the second quartile of the cost curve. And to do that, we need to execute on our CapEx program there, which both Pete and I talked about, the next step being the introduction of the steam generation turbine, which hopefully will be done by the end of the year. And you'll start to see the benefits of that immediately because we'll reduce our third-party power purchases, hopefully starting in Q1 of 2026.

So, lots of good news to come in the future at Jamalco. We continue to think that's going to be a really good asset for us, and it's just a matter of time and executing on our CapEx programs to get where we want to be.

Then to your last question, which is on the volume side, it's operating near that 1.2 million tonne level that we've been targeting today. And with this CapEx program over the next couple of years, we continue to believe we'll creep it up towards its nameplate capacity of 1.4 million tonnes.

**Nick Giles**

Jesse, I really appreciate you addressing all those questions. I know there were a few in there. Just to clarify, have you quantified the benefit on the cost side of the turbines later this year?

**Jesse Gary**

We haven't. And as we get that done and as we move into 2026 and begin to talk about the 2026 outlook, we'll begin to give you a little bit more color around that.

**Nick Giles**

Okay, all right. Guys, keep up the good work and I'll jump back in the queue for now. Thanks.

**Jesse Gary**

Thanks.

**Operator**

Thank you. The next question is from the line of John Tumazos with Very Independent Research. You may proceed.

## **John Tumazos**

Thank you very much. 46 of the last 49 weeks total exchange inventories have fallen. Clearly, the LME price dipping to \$1.07 per pound anticipates a demand fall with the tariffs and trade war. When do you expect an inflection point where lower demand would cause exchange inventories to rise, suggesting the metal surplus that the LME price is anticipating?

## **Jesse Gary**

Thanks John. Great question. Obviously, there's a lot of speculation out there. As I said in my prepared remarks, we actually haven't seen any of that yet to date. We've actually seen relatively strong demand, especially in the U.S. as a lot of our customers have been nearshoring their supply chains. And so that's been especially strong on the billet demand side.

Europe has been weak, but that was weak for a while over the past couple of years, we're actually starting to see a small uptick there, not enough to call it a trend, but enough to be a bit hopeful. So, we continue to think, at least on the premium side, things look pretty good, but we're cognizant of the volatility that's out there and are watching it closely.

But net-net, as I said in my prepared remarks, we still see a small deficit this year. And we expect that deficit to grow going forward rather than increase as you positive.

## **John Tumazos**

Over the last three years of the Ukraine war, there were three -- I don't know if the right word is incidents or episodes when very large deliveries of Rusal metal were made in the LME warehouses in Asia that replenished supply.

Since April last year, the Rusal metal is not eligible if it's produced since April last year. How would you think mechanically the exchange inventories get replenished? Chinese deliveries, Rusal restarting production? Mechanically, where do you think, the new supply is going to arise?

## **Jesse Gary**

It's a complicated question, John, and one that depends on a lot of geopolitics, obviously. Just remember that the Russians are sanctioned by the U.S. today and Europe has increased sanctions on the Russians recently that will continue to further bite as we move into 2026, the way they're structured. So, that's a difficult question on the Russian side, and we'll wait to see and watch how the sanction policy manifests itself.

In terms of -- if I take your question at a broader level, where the marginal units are coming from, as I mentioned, we're actually projecting that we stay in deficit. So, we don't actually necessarily see those inventories replenishing. Quite the opposite, we potentially see global inventories decreasing over time. So, the way we see it, we continue to believe alumina prices will continue to rise in the near to medium future and certainly over the long run.

**John Tumazos**

If you could bear with me one more, Jesse. The alumina shortage reversed in November to surplus. And if the IAI statistics are accurate, in the first quarter, the surplus margin was 2.2% more metallurgical alumina than 1.92 times world smelter output, which is a considerable margin.

Do you expect alumina refineries to close to balance the market? Or do you expect alumina will find its way from China, Vietnam, India to feed resource capacity and the Chinese will choose to produce more metal rather than close refineries.

And further, there's more refineries on the drawing board in India and Indonesia and even in China, that could increase the alumina surplus. How do you think this plays out?

**Jesse Gary**

Yes. Over time, when you look back, the alumina market has actually been fairly disciplined in curtailing capacity when the price is indicated. And so, our expectation would be that you would start to see closures at price levels if price levels go low enough to demand that.

You did see a little bit of that as the alumina price went lower and then bounced higher more recently. So, we're back around that \$350 level per tonne on the API. But our expectation would be you will see closures if alumina price continues to fall or to match increasing supply over time.

**John Tumazos**

Thank you. I'll let somebody else ask questions. Congratulations on the profits.

**Jesse Gary**

Thanks John.

**Peter Trpkovski**

Thanks John.

**Operator**

The next question is from the line of Nick Giles with B. Riley Securities. You may proceed.

**Nick Giles**

Thank you so much for taking my follow-up here. In your 2Q guide, you outlined a \$5 million to \$10 million hit on raw materials. But when I try to do the back of the neck and compare it to your 1Q guide using your sensitivities, I get closer to an annual hit of this magnitude, not a quarterly impact. So, I just wanted to see if I'm missing something or if there was anything in the 1Q print that would have been different from your initial guide?

## **Peter Trpkovski**

Hey Nick, it's Pete. I can kind of give you a quick update on that. So, what we've shown on the page is the coke pitch and caustic price realizations that we expect across our smelters and our refinery.

Coke is starting to see price increases as well as pitch and caustic. So, if you take the sensitivities that we have in our appendix, and we can help with the modeling of this. For the quarter, it's at least \$5 million to \$7 million. For the guide, we said \$5 million to \$10 million for raw materials. So, there's some other pluses and minuses within this bucket, but we try to just show you here what we have in our sensitivities.

So, for the three in total, coke, pitch, and caustic, all seeing some temporary price headwinds. And the sensitivities for the quarter, we can help you with the math and the modeling, but it equates to about \$5 million to \$7 million.

## **Nick Giles**

No, that makes sense, Pete. I appreciate that. And I'll certainly take you up on that. My last one, if I could. When we think about the new aluminum smelter, can you just remind us of what some of the key milestones are? What would be the earliest that you could deploy meaningful capital towards the project?

## **Jesse Gary**

Yes. Thanks Nick. Great question. And we remain really excited about the project. We're working really hard. The next two key milestones, which are linked are to finalize negotiations of the power arrangements. And then following from that and driven from that, we'll be making a site selection.

And then the next phase after that is actually further engineering work, which will take you into 2026 before you start to see any significant CapEx spend for the project.

## **Nick Giles**

Got it. And just as far as the project's competitiveness, I mean, I can't imagine a more favorable environment for a domestic producer like Century. So, is there anything that could change or unwind such as a Canadian exemption for Section 232 that would, in your mind, change the competitiveness of the project? Or do you feel like the project will stand on its own two feet even if we were to see such an exemption?

## **Jesse Gary**

Yes. As you might imagine, we're taking very long-term but disciplined view on the returns for a project of this size. And so, we're not modeling for a year or two out. We're modeling for a very long lifespan for what will be a 50-year asset once built.

And so, when we look at that, we're looking at very long-term trends. But obviously, the current market environment is a great - as you said, is a very constructive environment to find ourselves

in when considering a project.

And in that, I include the political environment and the dedication of this administration towards reshoring manufacturing. So, we think this is the exact type of project that this administration wants to see. And we continue to think that the policy coming out of this administration will continue to be supportive of the project.

**Nick Giles**

Good to hear. Guys, again, keep up the good work.

**Peter Trpkovski**

Thanks Nick.

**Jesse Gary**

Thanks Nick.

**Operator**

There are currently no questions registered. [Operator Instructions]

There are no registered questions at this time. I'd like to pass the call back over to Ryan for any further remarks.

**Jesse Gary**

This is Jesse. I'll just say thanks, everyone, for joining the call and we look forward to talking to you next in August. Have a good summer everybody.

**Operator**

Thank you all. That will now conclude today's call. We appreciate your participation. Hope you have a wonderful day and you may now disconnect your lines.