



Elkem announces new corporate structure and cost reductions to strengthen competitiveness amid challenging markets

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Elkem ASA (“Elkem” or the “Company”) is further strengthening the Company’s competitiveness and financial resilience by introducing a new corporate structure and reducing working capital and annual costs following the approval of the announced Silicones transaction. These cash optimising measures amount to NOK 1.3 billion, in addition to permanent cost reductions with an annual effect of NOK 0.6 billion starting from third quarter 2026. The cost reductions form a part of Elkem’s efforts to streamline operations and are aimed at enhancing profitability amid ongoing market challenges.

New corporate structure

On 13 February 2026, Elkem announced the agreement to sell majority of the Silicones division to Bluestar to create a focused, globally-leading metals and materials producer. Following this transaction, Elkem is unveiling a new corporate structure, composed of three divisions: Elkem Silicon, Elkem Foundry Alloys and Elkem Carbon.

Elkem Silicon will be led by SVP Luiz Simão. The division will be a global producer and provider of silicon, ferrosilicon, Silgrain® silicon, Elkem Microsilica®, and quartz, and will be composed of eight main production sites in Norway, Iceland, and Spain, including a silicones production site in France.

Elkem Foundry Alloys will be led by SVP Inge Grubben-Strømnes. The division will be a globally-leading provider of foundry alloys and composed of seven production sites in Norway, Canada, China, Paraguay, United Kingdom, and India.

Elkem Carbon will be led by SVP Izaias Entringer. The division is a world leading supplier of electrode paste and other carbon products to metallurgical industries, and will be composed of six main production sites in Norway, Slovakia, Brazil, China, and South Africa.

Market update

Elkem’s markets remain challenging, with continued pricing pressures and weak demand. For the fourth quarter 2025, Elkem ex. Silicones reported an EBITDA of NOK 485 million, compared to NOK 800 million in the corresponding quarter of 2024.

The conflict in the Middle East has added to the macro-economic uncertainty and is impacting the value chains for many of Elkem’s customers. Elkem has reduced production at several of its plants and temporarily curtailed all production at the Rana and Salten plants in Norway. Elkem expects market conditions to gradually improve, however, the first half of 2026 will be weaker than previously expected and visibility for now remains less clear. Power prices in the Northern part of Norway have declined and the expected positive financial contribution from the sale of contracted power to the market will be lower than anticipated.

Cost reduction programme

In response to the adverse market conditions, Elkem is implementing significant cost-cutting measures as part of its reorganisation.

Elkem will reduce its global workforce by approximately 300 FTEs by year-end 2026, which represents approximately 10 per cent of the total work force after the sale of the majority of the Silicones division. This process will begin immediately and will primarily affect functions directly impacted by sale of Silicones, as well as support functions at corporate and division levels. Blue collar positions will to a lesser extent be affected.

In addition, the Company is targeting working capital and capital expenditure improvements totaling NOK 1.3 billion, alongside salary and operational expenditure cost reductions amounting to NOK 0.6 billion, with approximately half of these savings expected to be realised by year-end 2026. The overall estimated cash impact for 2026 stands at NOK 1.6 billion, while investments will be capped at a maximum of NOK 1.0 billion for the year.

"As we move forward following the sale of the majority of our Silicones division, Elkem is taking decisive steps to strengthen our competitiveness and ensure financial resilience. Our focus on cost reductions and efficiency is essential to secure Elkem's future as a robust, agile company capable of seizing new opportunities rapidly. We believe these measures will position us to deliver long-term value for our customers, employees, and stakeholders once market conditions improve," said Elkem CEO Helge Aasen.

Elkem remains firmly committed to conducting this transition with transparency and care, ensuring close collaboration with employee representatives throughout the process. The Company's approach will be guided by its core values of respect and inclusion.

Elkem will host a capital markets day in the second half of 2026 to present its new strategy and updated financial and climate objectives.

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About Elkem

With a strong track record since 1904, 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 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