

July 28<sup>th</sup>, 2022

Since fall 2021, the European alumina industry has been facing significant and continuous increases in its production costs. Natural gas and electricity tripling prices led to a first cost pass-through. The invasion of Ukraine by the Russian Federation and the sanctions imposed to Russia has pushed further the energy prices amid a tightening of gas supply.

In the meantime, other raw materials have increased significantly, and inflation have reached high rates in all countries since decades. Those factors led to another cost pass-through during spring.

In the past weeks, the situation has worsened. Energy keeping increasing, caustic soda prices at unprecedented values and doubling freight rates have impacted production costs further. The strong and quick devaluation of the euro against the US dollar has also dramatically increased the costs of most of the alumina raw materials.

Alteo is committed to continue to supply its customers with high quality products but cannot bear alone these constantly increasing production costs. As a consequence, in the coming weeks, Alteo will implement another surcharge in order to catch-up with current costs increases. We will be in contact with all our customer to work on the implementation of these new prices.

Although we perfectly understand the difficulty for our customers to pass through these costs to their own customers, the current situation remains unsustainable for Alteo and, we believe, for the alumina industry.

### More on Alteo

Alteo is a world leader in the production of specialty aluminas and develops high value-added products. With its head office based in Provence for more than a century, Alteo is present in 16 countries around the world and exports its products to around sixty countries.

Belonging to the UMSI industrial group, Alteo has more than 430 employees and achieved a turnover of 188 million euros in 2021, of which more than 76% internationally.

The only specialty alumina production site in France with world-renowned know-how, the group puts R&D, innovation and sustainable development at the heart of its growth strategy. Alteo has developed a modern and high-performance industrial tool which enables it to develop in four buoyant markets: advanced ceramics, high-performance refractories, battery separators and fillers for heat dissipation.

[www.alteo-alumina.com](http://www.alteo-alumina.com)

### Contact

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