

22 FEBRUARY 2018



# Full Year Results 2017



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**Hilmar Rode**  
Chief Executive Officer

## Overview of FY 2017 – solid foundations in place for future success

- Group Underlying EBITDA<sup>1</sup> of €205m up 5% on 2016
- Balance sheet substantially strengthened with improved liquidity and extended maturity profile
  - Liquidity as of 31 December 2017 of EUR 733m
  - Net debt as of 31 December September 2017 of EUR 1,102m; average maturity profile increased to 49 months
- Net profit of EUR 47m for 2017, assisted by an impairment reversal of EUR 126m related to Middle Tennessee and Myra Falls
- Major milestone reached at the Port Pirie Redevelopment
  - Hot commissioning in September 2017, in-line with guidance. First feed to new TSL furnace in October 2017. All major systems including slag caster and acid plant are in operation
  - Currently ramping up to deliver in-line with the substantial EBITDA uplift guided at the start of 2017
- Sale of Latin American mines completed. North American mines retained as a core Nyrstar business
  - Middle Tennessee successfully restarted and fully ramped-up
  - Myra Falls restart commenced and on track for first concentrate production by mid-2018
- Zinc smelting and mining optimisation reviews completed with substantial improvements in production and operating costs identified for delivery in 2018 and subsequent years

<sup>1</sup> All references to EBITDA in the presentation are Underlying EBITDA. Underlying EBITDA is a non-IFRS measure of earnings, which is used by management to assess the underlying performance of Nyrstar's operations and is reported by Nyrstar to provide additional understanding of the underlying business performance of its operations. Nyrstar defines "Underlying EBITDA" as profit or loss for the period adjusted to exclude loss from discontinued operations (net of income tax), income tax (expense)/benefit, share of loss of equity-accounted investees, gain on the disposal of equity-accounted investees, net finance expense, impairment losses and reversals, restructuring expense, M&A related transaction expenses, depreciation, depletion and amortization, income or expenses arising from embedded derivatives recognised under IAS 39 "Financial Instruments: Recognition and Measurement" and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar. For a definition of other terms used in this presentation, please see Nyrstar's glossary of key terms available at: <http://www.nyrstar.com/investors/en/Pages/investorsmaterials.aspx>

<sup>2</sup> Net debt exclusive of zinc prepay and perpetual securities

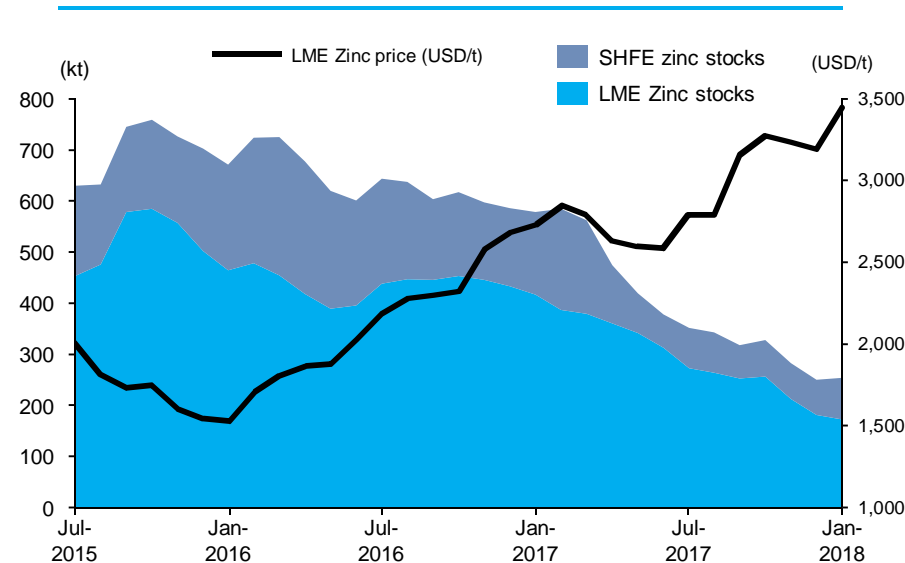


# Zinc price has continued to rally on strong fundamentals in 2017

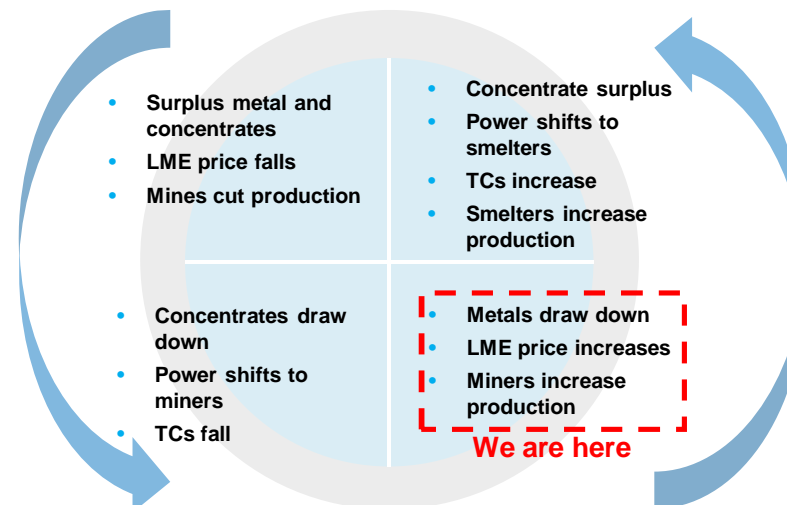
## Zinc pricing and treatment charge

- Continued strong price growth throughout 2017 underpinned by robust metal demand and constrained concentrate supply
- Ongoing raw material tightness resulted in depressed spot TCs and a further 15% reduction in the 2017 zinc benchmark TC to USD 172/t
- The value share of 13% for the 2017 annual benchmark TC (TC as a % of the paid zinc) was the lowest ever for smelters, being only half the average 26% value share of the last ten years
- Higher prices and low TC's have triggered a significant response from miners (largely in Australia, India, Peru, South Africa and Turkey) with availability of concentrate expected to be noticeably better by H2'18
- Approaching a turning point - treatment charges are expected to start increasing during 2018

LME zinc price



Treatment charges and metal price relationship

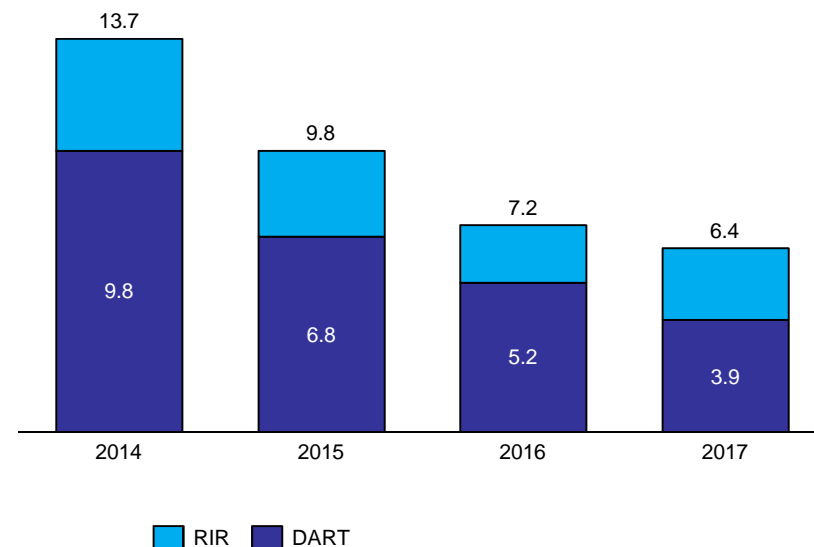


# Record safety performance across the group

## Safety, Health & Environment

- Best ever safety performance of Nyrstar achieved with further improvement in lagging safety indicators with RI and DART frequency rates improving by 11% and 25%, respectively, compared to 2016
- Port Pirie Redevelopment project completed with an outstanding safety performance. More than 2.8 million hours worked over the past three years without permanent disability injury and a DART frequency rate of 2.8
- No environmental events with material business consequences occurred in 2017

Lagging Safety Indicators<sup>3</sup>

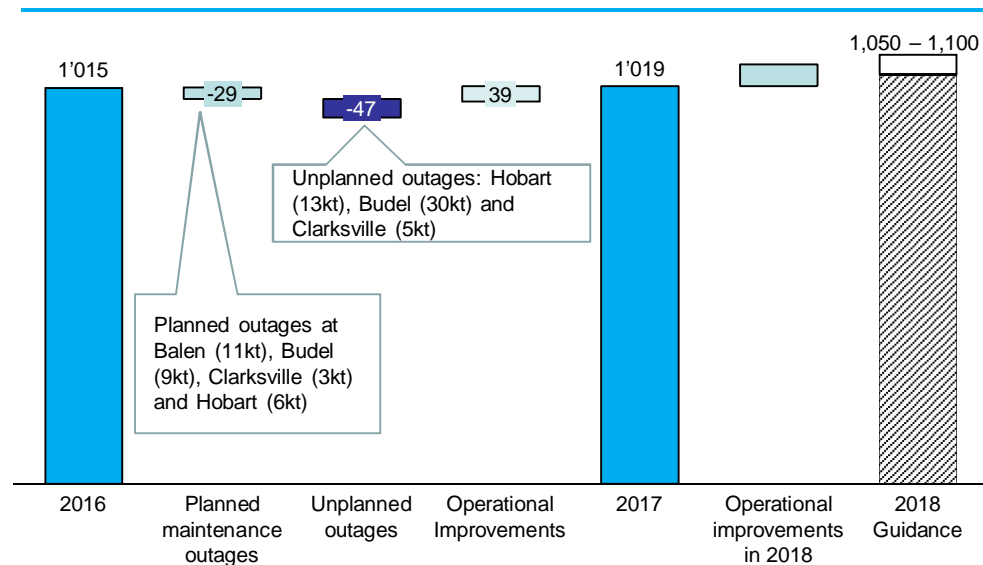


\* Days Away, Restricted or Transferred (DART) and Recordable Injury Rate (RIR) are 12 month rolling averages of the number of lost time injuries and Restricted Work Injuries (DART) and recordable injuries (RI) per million hours worked, and include all employees and contractors directly and non directly supervised by Nyrstar at all operations. Prior period data can change to account for the reclassification of incidents following the period end date

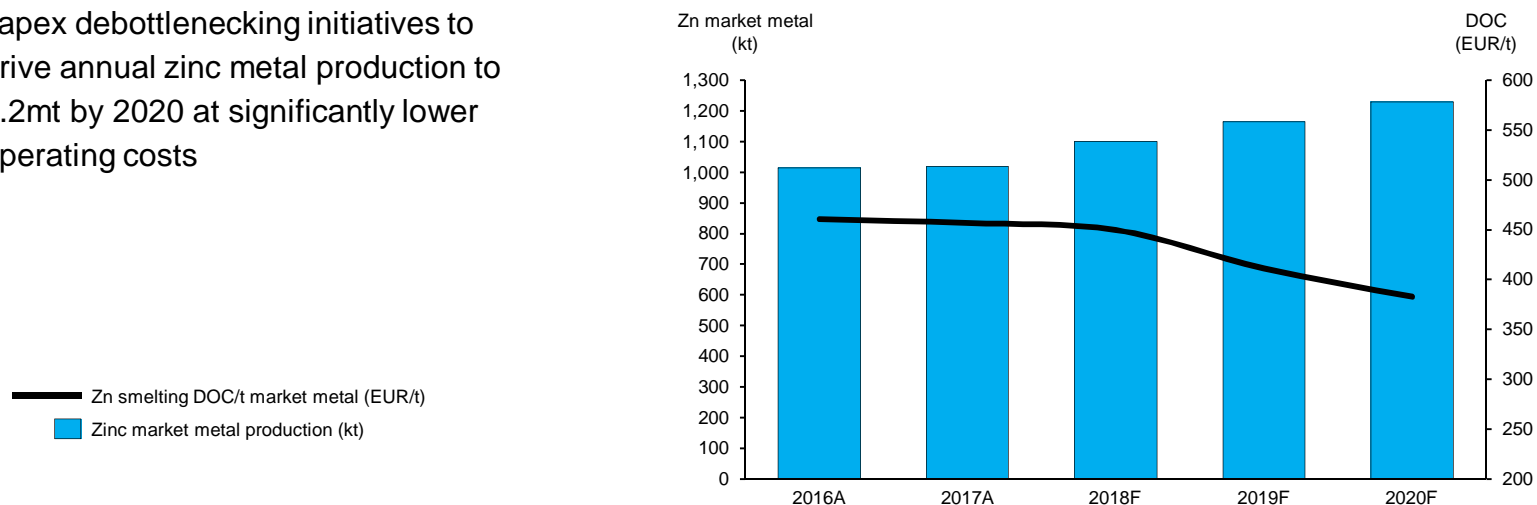
## Zinc smelting - production flat, impacted by unplanned outages

- Zinc metal production of 1,019kt, flat y-o-y due to the impact of an exceptionally heavy planned maintenance schedule and unplanned outages at Budel and Hobart in H2 2017
- Zinc production at Auby up 17kt y-o-y with higher leaching recovery & cellhouse intensity; Balen up 13kt y-o-y with consistent production and no unplanned downtime
- Full potential optimisation review completed
  - Transformation initiatives are now being implemented – first benefits from a multi-year process expected in 2018
  - Improved operational stability and low capex debottlenecking initiatives to drive annual zinc metal production to 1.2mt by 2020 at significantly lower operating costs

Zinc metal production (kt)

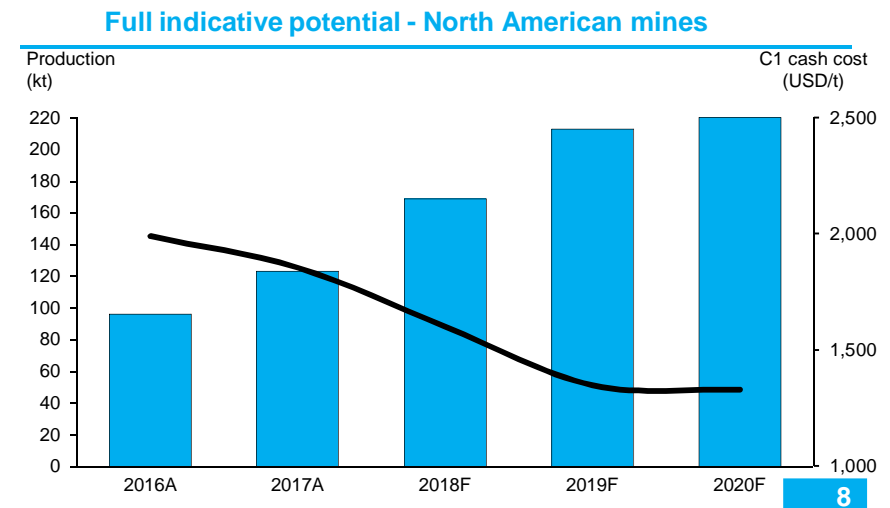
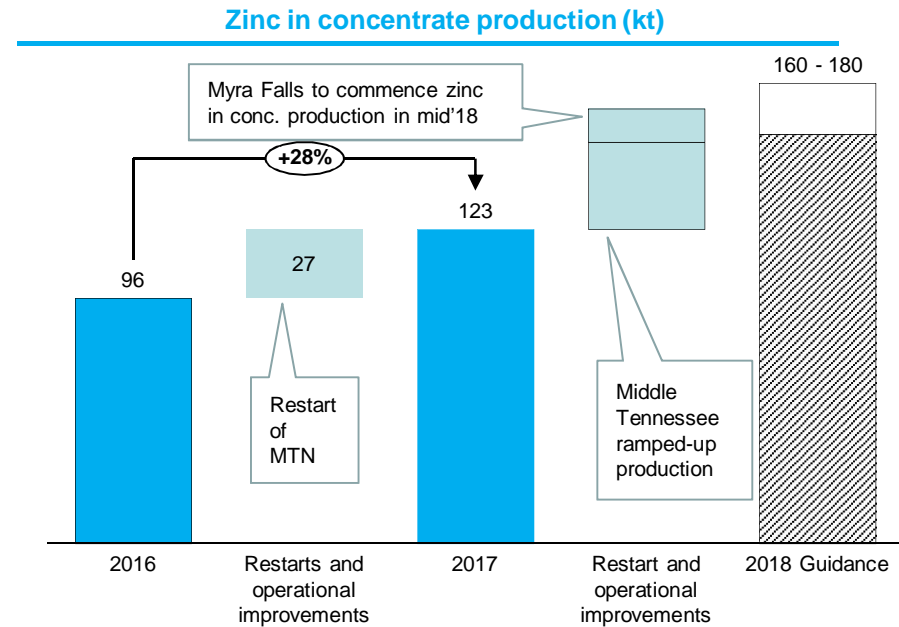


Full indicative potential – Zinc smelters



## Zinc Mining – North American mines retained as core business

- Zinc in concentrate production of 123kt, up 28% y-o-y, primarily due to the successful restart of Middle Tennessee
- Mine divestment process concluded with five Latin American mines sold
- Four North American mines retained as a core Nyrstar business and optimised to deliver their full potential
  - Middle Tennessee ramped up to full capacity
  - Myra Falls restart on track, first concentrate production expected by mid-2018
- Full potential optimisation review completed
  - Transformation initiatives are now being implemented – first benefits from a multi-year process expected in 2018
  - Annual production to be driven to 220kt of zinc in concentrate by 2020 at significantly lower operating costs



— C1 cash cost (USD/t)  
 ■ Zinc contained production (kt)



## Port Pirie – Redevelopment project delivered in-line with schedule

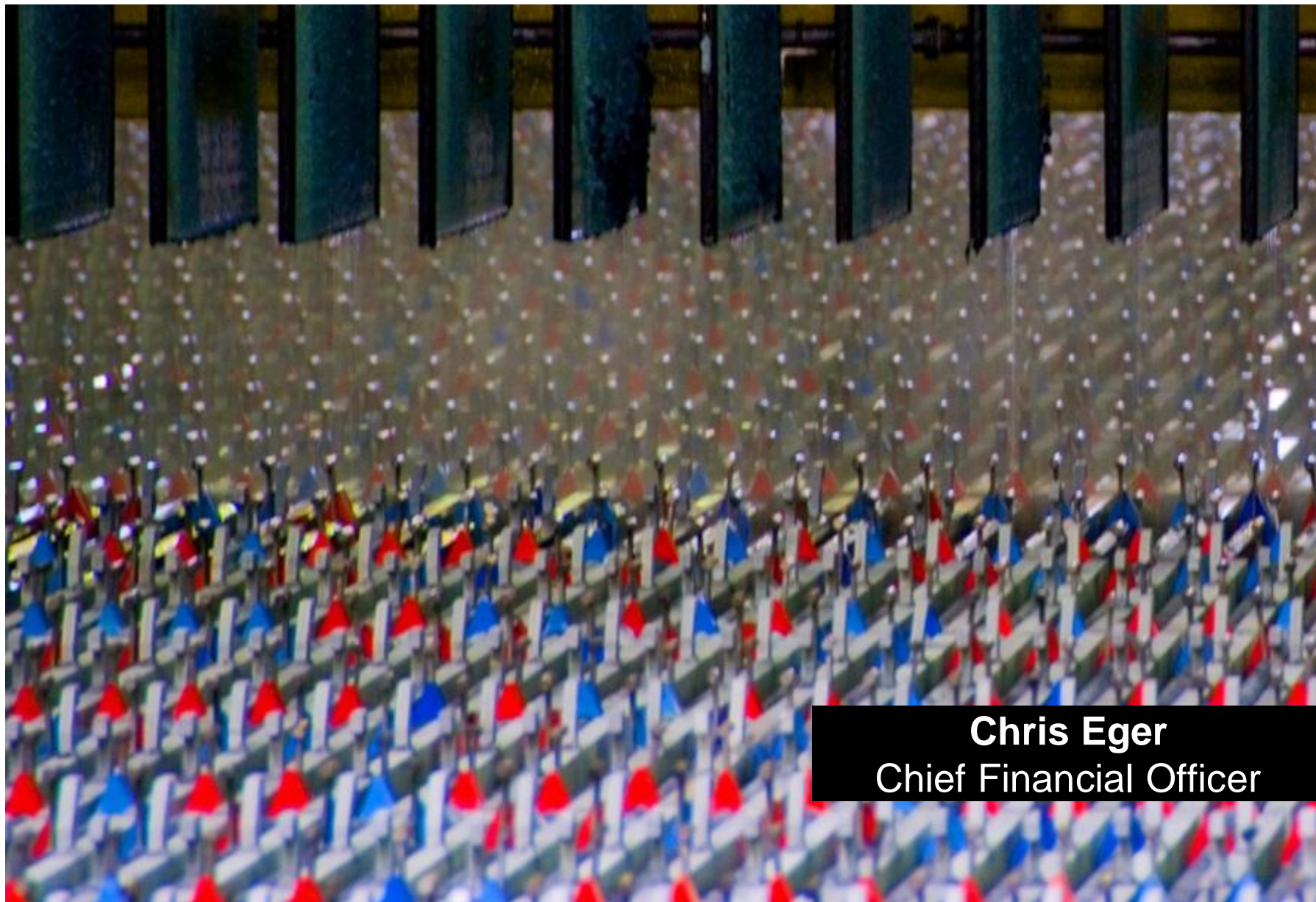
- Lead production at Port Pirie of 171kt, down 8% y-o-y due to various unplanned outages in 2017 with certain plant reaching the end of its useful life and being replaced as part of the redevelopment
- Major milestones reached on Port Pirie Redevelopment project with all major systems now commissioned and ramp up on track
  - Hot commissioning commenced in September 2017
  - First feed to TSL furnace achieved in October 2017
  - First slag cast in December 2017
  - Acid plant fully operational in January 2018
- Two year ramp up significantly de-risked
  - Slag caster re-engineered in 2017
  - Sinter plant / old acid plant operation extended to allow parallel operation with TSL furnace and new acid plant in 2018
  - Agreement with Kazzinc for training in Kazakhstan (completed) and on site commissioning support

First casting of slag – 15 December 2017



Commemoration ceremony\* – 22 January 2018





**Chris Eger**  
Chief Financial Officer

# Financial summary

## Selected P&L line items \*

€m	2016	2017	Δ	Δ%
<b>Revenue</b>	2,763	3,530	767	28%
MP U. EBITDA	222	206	(16)	(7%)
Mining U. EBITDA	8	47	39	496%
Other U. EBITDA	(35)	(48)	(13)	(37%)
<b>Group Underlying EBITDA</b>	<b>195</b>	<b>205</b>	<b>10</b>	<b>5%</b>

<b>DD&amp;A</b>	(179)	(156)	(23)	(13%)
<b>Impairment cont. operations</b>	(126)	126	252	200%
<b>Net financial expense (excl. fx)</b>	(116)	(147)	(31)	27%
<b>Profit/(Loss) for the period</b>	(414)	47	461	107%

## Capex

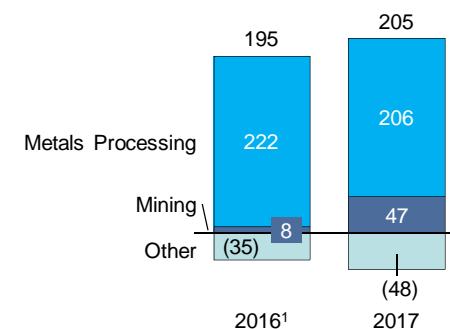
Port Pirie Redevelopment	95	104	9	9%
Metals Processing	142	199	57	40%
Mining	40	58	18	45%
Other	3	3	-	-
<b>Group Capex</b>	<b>280</b>	<b>364</b>	<b>84</b>	<b>30%</b>

<b>Net Debt<sup>1</sup></b>	<b>865</b>	<b>1,102</b>	<b>237</b>	<b>27%</b>
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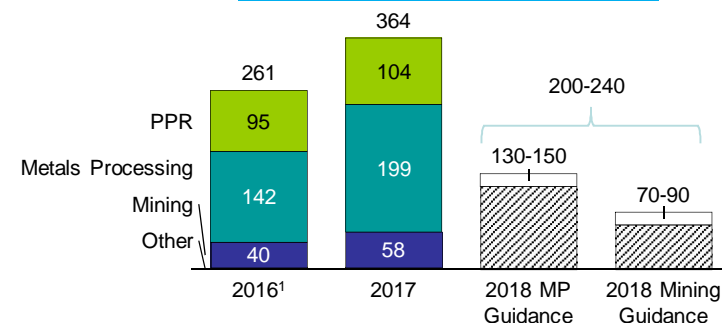
Net Debt, inclusive of Zinc Prepay and perpetual securities

1,164	1,363	199	17%
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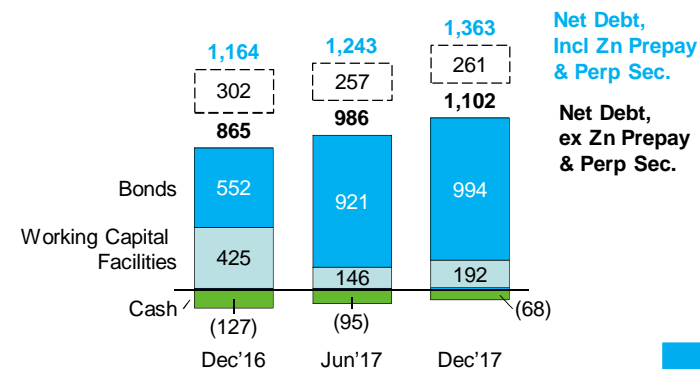
## Underlying EBITDA (€m)



## Capex (€m)



## Net Debt (€m)



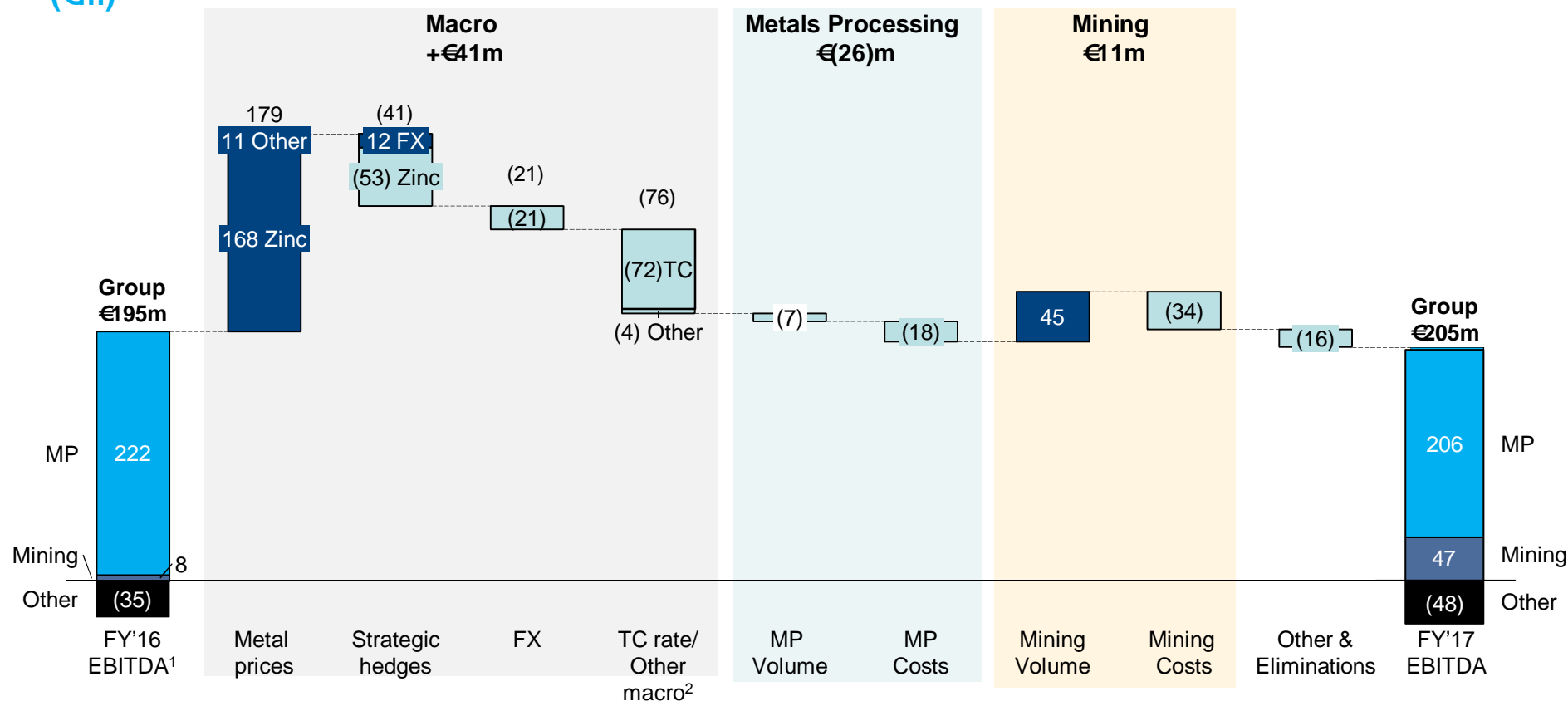
<sup>1</sup> Net Debt is short term and long term liabilities, exclusive of Zinc Prepay and perpetual securities, minus cash

\* For all line items, see Nyrstar's Consolidated Financial Statements as at 31 December 2017 available on [www.nyrstar.com](http://www.nyrstar.com)



## Group underlying EBITDA – 2017 on 2016

(€m)



	FY'16	FY'17	Δ
Zinc price (\$/t)	2,095	2,895	800
B/M Zn TC (\$/dmt) <sup>3</sup>	212	172	(40)
FX (€/US\$)	1.11	1.13	(0.02)
FX (€/AU\$)	1.49	1.47	0.02
Zinc metal (kt)	1,015	1,019	4
Zinc in concentrate (kt)	96	123	27

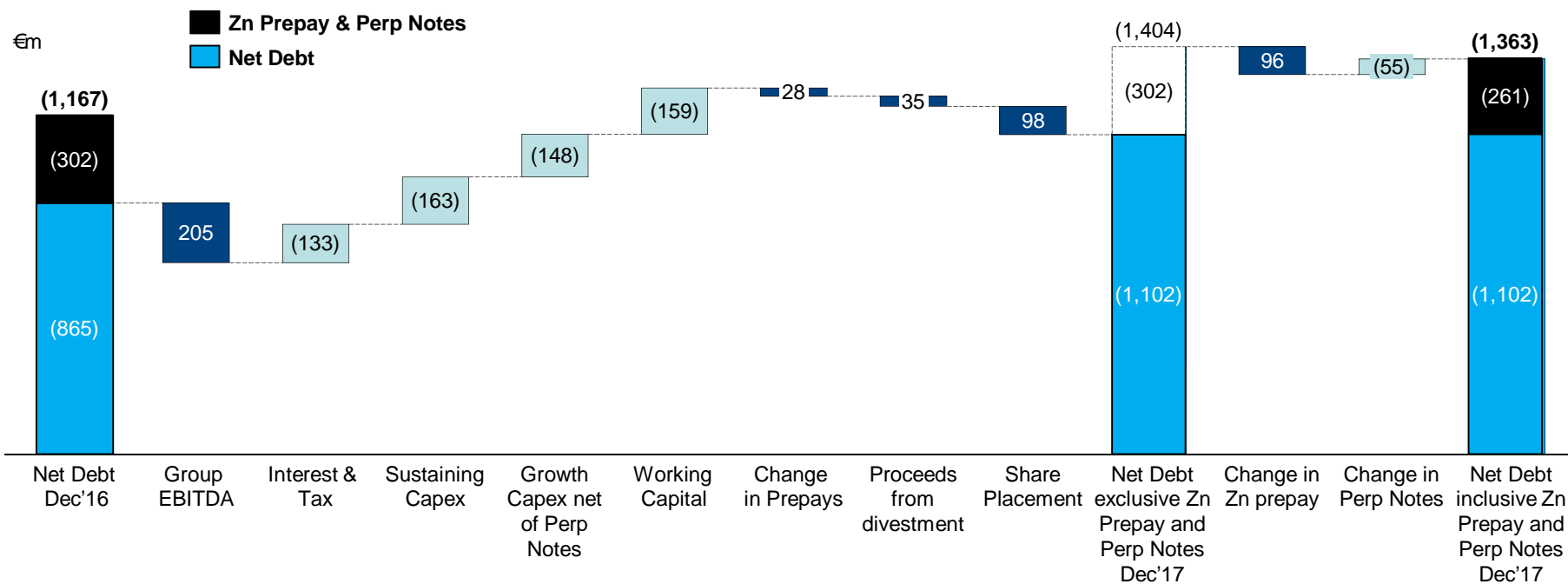
<sup>1</sup> Underlying EBITDA from continuing operations

<sup>2</sup> Premium and freight rate

<sup>3</sup> 2016 and 2017 benchmark TC at average 2016 and 2017 zinc price



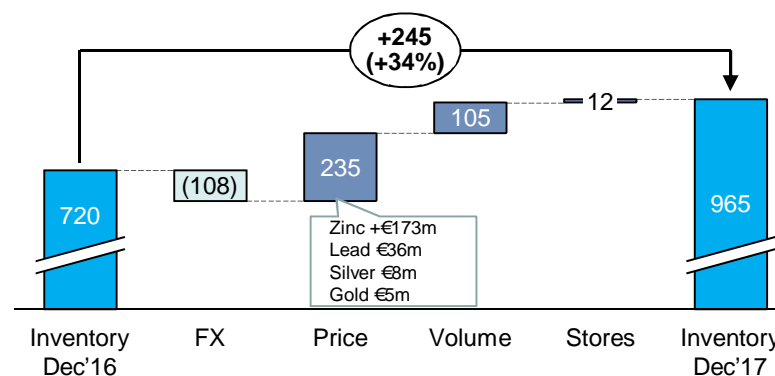
## Net Debt evolution 2017



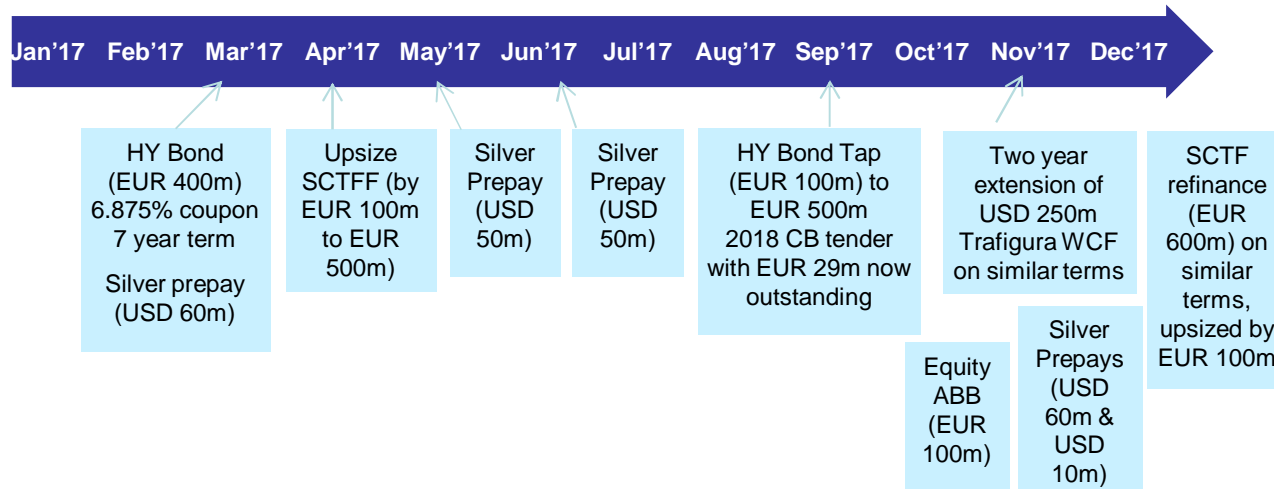
- Working capital increased by €159m; primarily due to an increase in inventory due to higher commodity prices
- Interest and tax in-line with expectations
- Amortisation of silver prepays was more than offset by the issuance of USD 70m of silver prepays and USD 30m of copper prepay in December 2017
- Cash balance at the end of 2017 of EUR 68m with liquidity of EUR 733m

\* Capex is shown on cash outflow basis rather than incurred

## Inventory (€m)



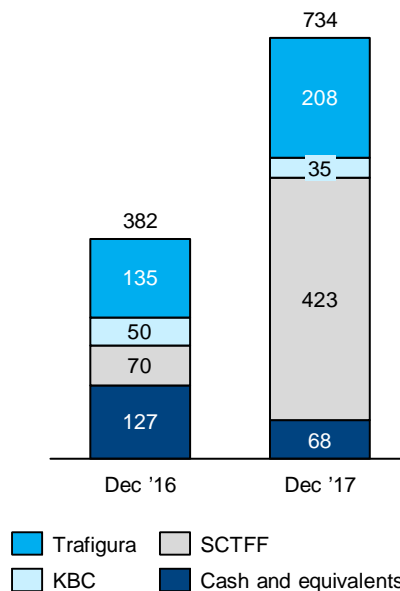
## Balance sheet continued to be strengthened in 2017



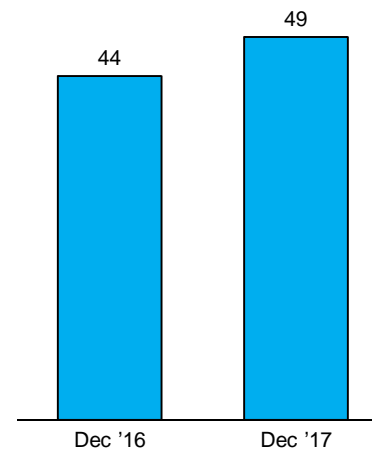
### Key 2018 financial priorities

- Continue to monitor the market for additional opportunistic financings
  - Refinance prepays
  - Manage EUR 350m Sep. 2019 senior notes maturity
  - Monitor opportunities to mitigate downside risks

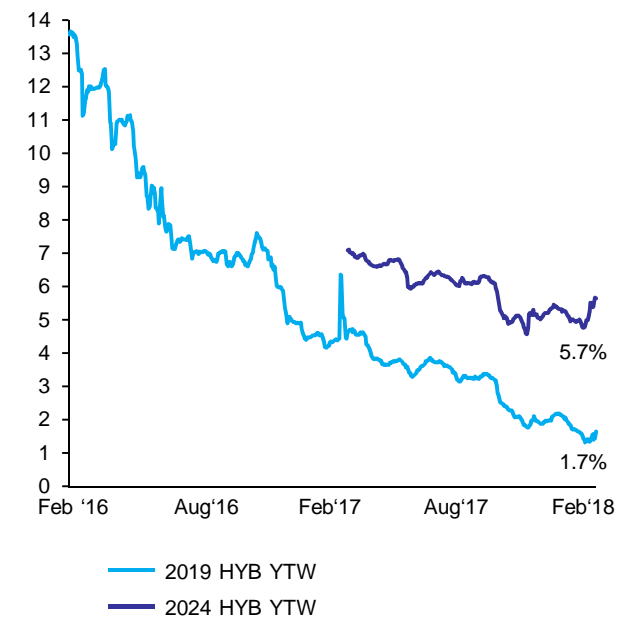
### Liquidity has grown (€m)<sup>1</sup>



### Maturity profile has increased (months)



### Bond yields have improved (%)<sup>2</sup>



<sup>1</sup> Excluding intra-month liquidity needs of c. USD 150-200m

<sup>2</sup> Bloomberg data sourced on 12 February 2018



**Hilmar Rode**  
Chief Executive Officer

## Strategic priorities to transform the business remain consistent

- 1 Maintain our strong safety performance by improving visible safety leadership
- 2 Optimise the zinc smelters to deliver their full potential, underpinned by operational stability
- 3 Optimise the North American zinc mines to deliver their full potential
- 4 Ramp up the Port Pirie Redevelopment to deliver the guided earnings uplift
- 5 Maintain a strong balance sheet with an appropriate maturity and liquidity profile



# Questions

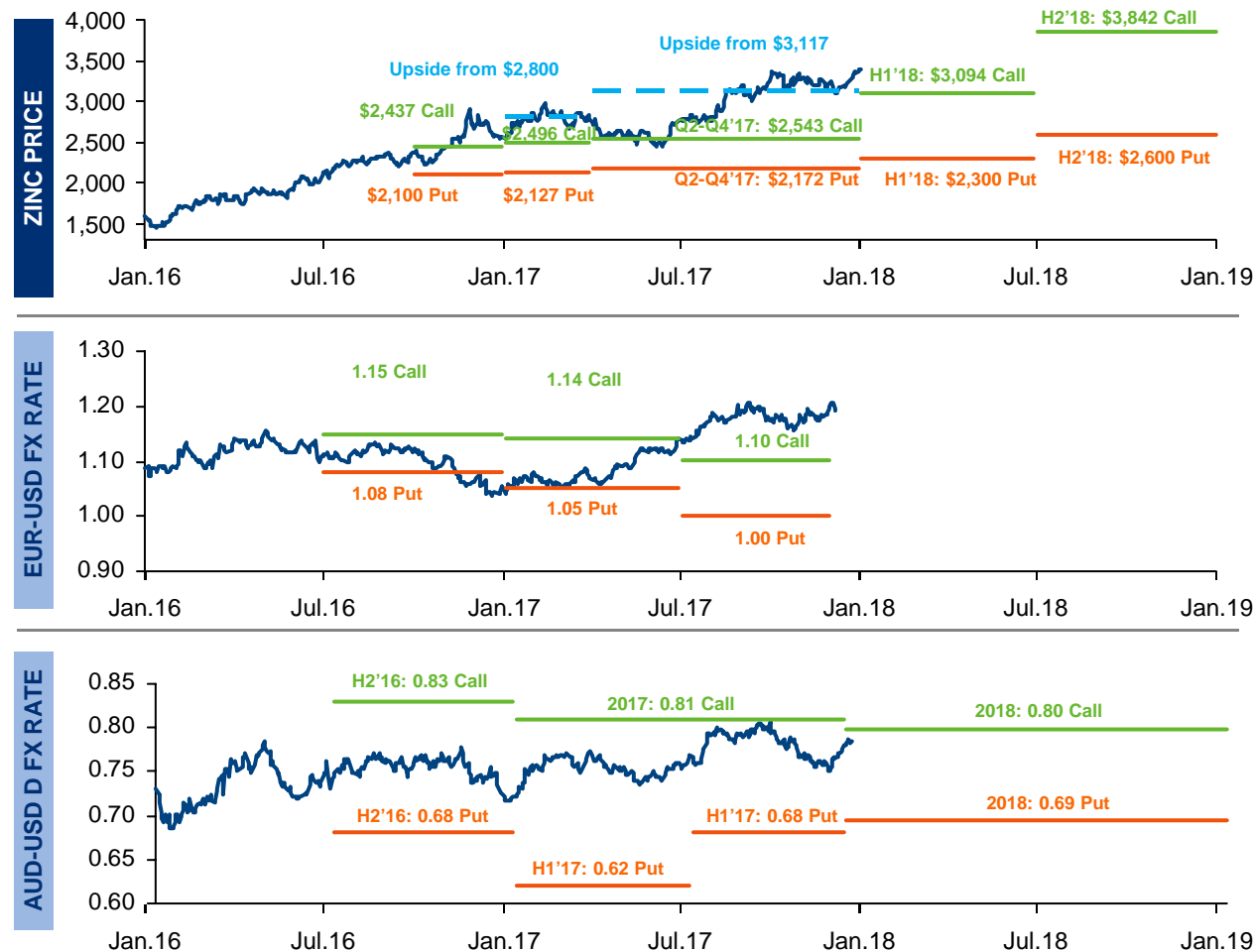


## Full Year 2017 underlying EBITDA sensitivity

Parameter	FY 2017 average price/rate	Change +/-10%	Estimated annual 2017 underlying EBITDA impact (€m), excluding hedge impact					
			Metals Processing		Mining		Group	
EUR:USD	1.13	-/+ 10%	+83	(68)	+23	(18)	+106	(87)
Zinc price	\$2,896/t	-/+ 10%	(36)	+44	(22)	+22	(60)	+66
Zinc Base TC	\$172/dmt	-/+ 10%	(23)	+23	+3	(3)	(20)	+20
EUR:AUD	1.47	-/+ 10%	(31)	+25	-	-	(31)	+25
Silver price	\$17.05/oz	-/+ 10%	(4)	+4	(1)	+1	(5)	+5
Copper price	\$6,166/t	-/+ 10%	(2)	+2	(1)	+1	(3)	+3
Gold price	\$1,257/oz	-/+ 10%	(1)	+1	-	-	(1)	+1
Lead price	\$2,317/t	-/+ 10%	(1)	+1	-	-	(1)	+1
Lead TC	\$120/dmt	-/+ 10%	(3)	+3	-	-	(3)	+3
EUR:CHF	1.11	-/+ 10%	-	-	-	-	(6)	+5

The sensitivities give the estimated effect on underlying EBITDA assuming that each individual price or exchange rate moved in isolation. The relationship between currencies and commodity prices is a complex one and movements in exchange rates can affect movements in commodity prices and vice versa. The exchange rate sensitivities include the effect on operating costs but exclude the effect on the revaluation of foreign currency working capital. They should therefore be used with care. In 2017, Nyrstar implemented a strategic foreign exchange hedging program to reduce the transactional impact of foreign exchange rate movements (transactional impact defined as cash outflows due to expenses in non-USD currencies). Nyrstar executed strategic foreign exchange hedges utilizing put and call collar structures. In addition, Nyrstar has also executed strategic zinc price hedging during 2017, utilizing put and call collar structures. The above sensitivity analysis does not take into account the impact of Nyrstar's strategic hedging of EUR/USD, EUR/AUD or zinc price.

# Strategic collar hedging employed to mitigate downside risk



## Zinc Price

- Zinc hedge collars were effected to protect 70% of free metal through to end June 2018 and 50% of free metal in H2 2018 on the recent market move higher
- Nyrstar will continue to implement zinc price and FX hedges on a rolling 6-9 month basis to protect downside risk

## FX

- No EUR-USD hedges have been entered into for 2018
- AUD-USD hedges cover 100% of total transactional expenses for 2018<sup>1</sup>
- CAD-USD hedges cover 100% for 2018<sup>2</sup>

## Other

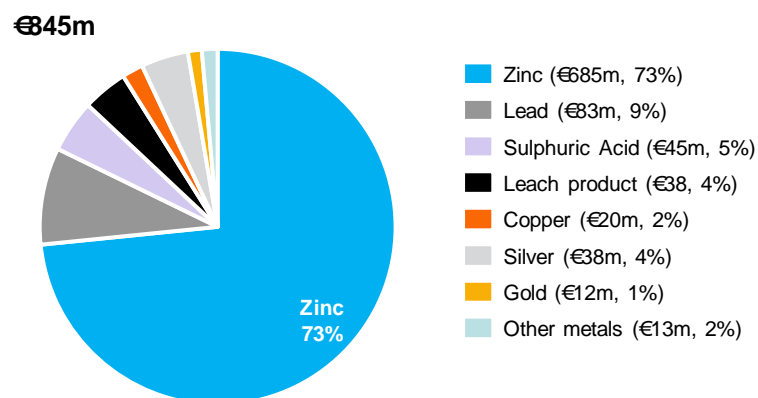
- All FX and commodity exposure for Myra Falls hedged until 2019

<sup>1</sup> 100% of 2018 AUD-USD exposure buying 0.6965 puts and selling 0.7997 calls

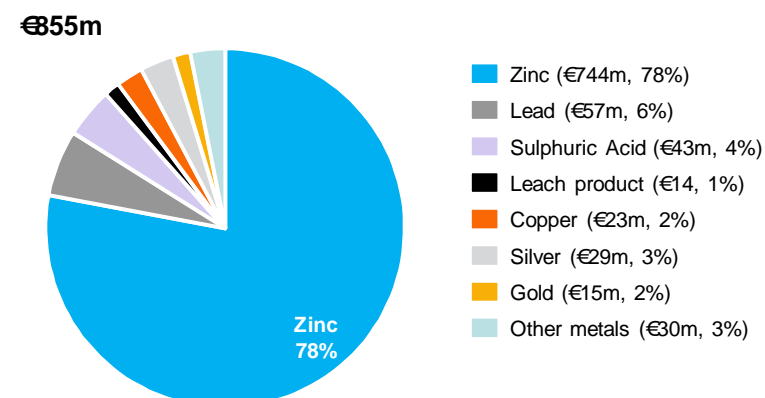
<sup>2</sup> 100% of 2018 CAD-USD exposure for Langlois buying 1.32 puts and selling 1.3618 calls

# Gross profit by metal

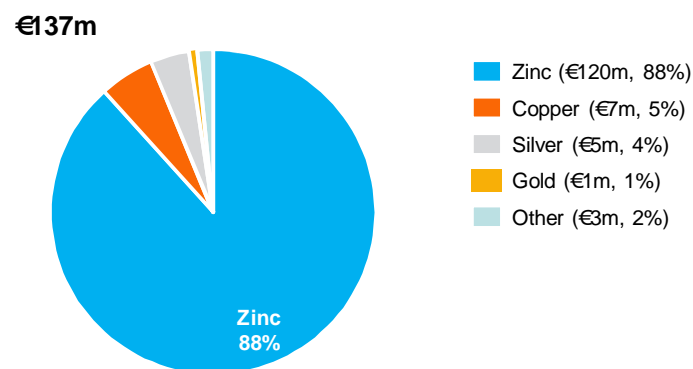
2016 Metals Processing gross profit by metal<sup>1</sup>



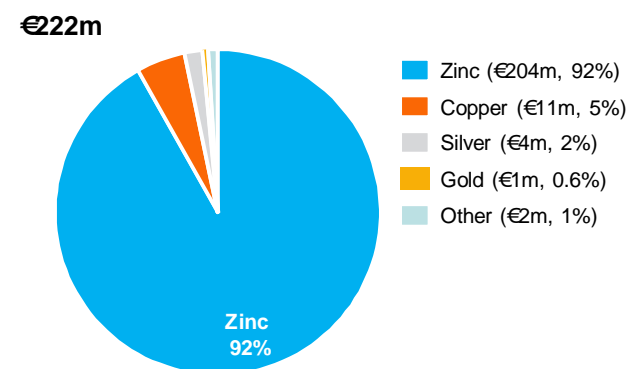
2017 Metals Processing gross profit by metal<sup>1</sup>



2016 Mining gross profit by metal



2017 Mining gross profit by metal



<sup>1</sup> Does not include Other Gross Profit which consists of realisation expenses and costs of alloying materials: €(89)m and €(99)m for 2016 and 2017, respectively

<sup>2</sup> Mining Gross Profit for 2016 and 2017 excludes discontinued operations at El Toqui, El Mochito, Campo Morado, Contonga and Coricancha

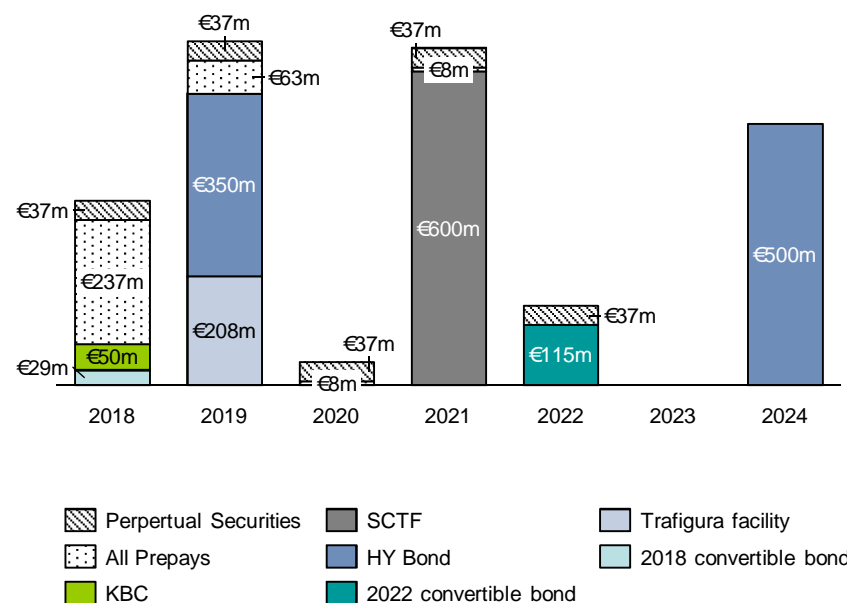


# Debt, working capital facilities, prepay, perpetual securities overview

## Outstanding balances at 31 Dec 2017 (€m)

	Drawing €m	Capacity €m	Maturity
<b>Structural Debt</b>			
2018 Convertible Bond	29		Sep 2019
2019 High Yield Bond	350		Sept 2019
2022 Convertible Bond	115		July 2022
2024 High Yield Bond	500		Mar 2024
<b>Structural Debt</b>	<b>994</b>		
<b>Working Capital Facilities</b>			
SCTF	177	600	Dec 2021
Loan from Related Party (Trafigura)	0	208	Dec 2019
KBC	15	50	July 2019
<b>Working capital facilities</b>	<b>192</b>	<b>858</b>	
<b>Prepays in Other Financial Liabilities / Deferred Income</b>			
Zinc Prepay (Dec 2015) – 12 month grace	77		Dec 2018
Silver Prepay PPR	50		Aug 2019
Silver Prepay (Jun-17) – 12 month grace	42		Nov 2018
Silver Prepay (Dec-17) – 12 month grace	8		Dec 2018
Silver Prepay (Mar-17) – 7 month grace	25		Mar 2018
Silver Prepay (Jun-17) – 11 month grace	42		Sep 2018
Silver Prepay (Dec-17) – 10 month grace	50		Jul 2019
Copper Prepay (Dec-17) – 12 month grace	25		Dec 2021
<b>Prepays</b>	<b>319</b>		

## Aggregate maturity / anticipated amortisation profile <sup>1</sup>



Perpetual Securities <sup>1</sup>

<b>Perpetual Securities</b>	<b>186</b>
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<sup>1</sup> Perpetual Securities have discretionary amortisation. The graphical representation of the Perpetual Securities amortisation is based on a targeted and discretionary profile

## Underlying EBITDA to Net Profit / Loss reconciliation

€m	2016	2017	Δ
<b>Underlying EBITDA</b>	<b>195</b>	<b>205</b>	<b>5%</b>
Embedded derivatives	(5)	(3)	(40%)
Restructuring expense	(9)	(4)	(56%)
M&A related transaction expense	(5)	(0)	-
Other Income	0	9	-
Profit / (Loss) on disposal of investments	(0)	3	-
<b>Underlying adjustments</b>	<b>(19)</b>	<b>5</b>	<b>(126%)</b>
<b>Unadjusted EBITDA</b>	<b>176</b>	<b>210</b>	<b>19%</b>
Depreciation, depletion and amortisation	(177)	(156)	(12%)
Impairment (loss) / gain	(126)	126	(200%)
<b>Result from operating activities</b>	<b>(127)</b>	<b>180</b>	<b>242%</b>
Finance expense	(116)	(147)	27%
Net foreign exchange (loss) / gain	(5)	(60)	1,100%
<b>Net finance expense (including FX)</b>	<b>(121)</b>	<b>(207)</b>	<b>71%</b>
<b>Profit / (Loss) before income tax</b>	<b>(248)</b>	<b>27</b>	<b>(111%)</b>
Income tax (expense) / benefit	(16)	37	(331%)
<b>Profit / (Loss) from continuing operations</b>	<b>(264)</b>	<b>10</b>	<b>(104%)</b>
 (Loss) / gain from discontinued ops, net of taxes	 (150)	 37	 (125%)
<b>Profit / (Loss) for the year</b>	<b>(414)</b>	<b>47</b>	<b>(111%)</b>

Prior year amounts have been re-presented for the impact of discontinued operations (see note 9 in the 2017 Consolidated Financial Statements)

## 2018 guidance

### Production

	2017 Actual	2018 Guidance
<b>Metals Processing</b>		
Zinc (kt)	1,019	1,050 – 1,100
<b>Mining - metal in concentrate</b>		
Zinc (kt)	123	160 – 180

- Estimated impact of maintenance shuts on 2018 production have been taken into account when determining zinc metal guidance for 2018

### Capex

€m	2017 Actual	2018 Guidance
<b>Metals Processing</b>	<b>303</b>	<b>130 - 150</b>
<b>Mining</b>	<b>56</b>	<b>70 - 90</b>
<b>Group capex</b>	<b>362</b>	<b>200 - 240</b>

### Planned maintenance shuts

Smelter & production step impacted	Timing and duration		Estimated impact
Auby – roaster	Q2:	2 weeks	Nil
Balen – roaster #5	Q2:	1 week	Nil
Balen – roaster #4	Q4:	4 weeks	Nil
Budel – roaster #1	Q4:	2 weeks	Nil
Clarksville – roaster	Q3:	4 weeks	8,000 tonnes
Hobart – roaster #5	Q2:	3 weeks	Nil
Port Pirie – blast furnace & slag fumer	Q2:	6 weeks	21,000 tonnes
Port Pirie – TSL furnace	Q4:	1 week	Nil