

3 MAY 2018



# Q1 2018 Interim Management Statement



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*Casting of zinc slabs at Budel*

**Hilmar Rode**  
Chief Executive Officer

## Overview of Q1 2018

- Group Underlying EBITDA<sup>1</sup> of EUR 54m down EUR 3m on the first 3 months of 2017
- Balance sheet remains strong
  - Liquidity as of 31 March 2018 of EUR 479m
  - Net debt of EUR 1,351m<sup>2</sup> at 31 March 2018
- Production performance across the group in-line with management expectations
- Port Pirie Redevelopment ramp-up progressing well
  - Ramp-up is ahead of schedule with important milestones achieved on operating time, volume of material treated and proportion of residue in feed;
  - Earnings uplift in-line with guidance provided at the start of 2017 against a 2016 basis, with at least EUR 40 million in H2 2018, EUR 100 million in 2019 and EUR 130 million in 2020
- Myra Falls mine start-up progressing in-line with schedule for zinc production by the start of H2 2018
- Chris Eger to step down as Chief Financial Officer in the Summer of 2018 after a comprehensive transition period; Michel Abaza, currently Corporate Treasurer at Safran Group to take over

# Zinc market fundamentals remain strong

## Zinc

- Zinc continued to perform strongly in Q1 2018 with the price averaging \$3,421/t (up 23% on Q1 2017)
- During the course of February 2018, the zinc price climbed above \$3,600/t and resulted in a 77kt inflow of hidden stocks of zinc metal into the LME's New Orleans warehouse. An increase in both LME and SHFE zinc stocks in February and March 2018 triggered a relative weakening of the zinc price with the zinc price closing the quarter at \$3,332/t.
- Higher prices are continuing to cause a supply response from miners with the market now slightly less tight than during the course of 2017

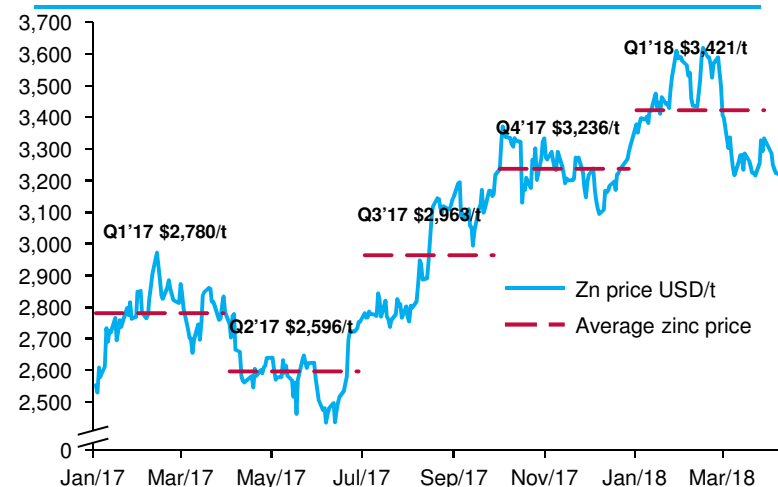
## FX

- The USD has weakened materially year-on-year. In Q1 2017 the EUR/USD averaged 1.06 whilst in Q1 2018 it weakened to average 1.23, causing a material headwind for the translation of Nyrstar's earnings from USD to Euro

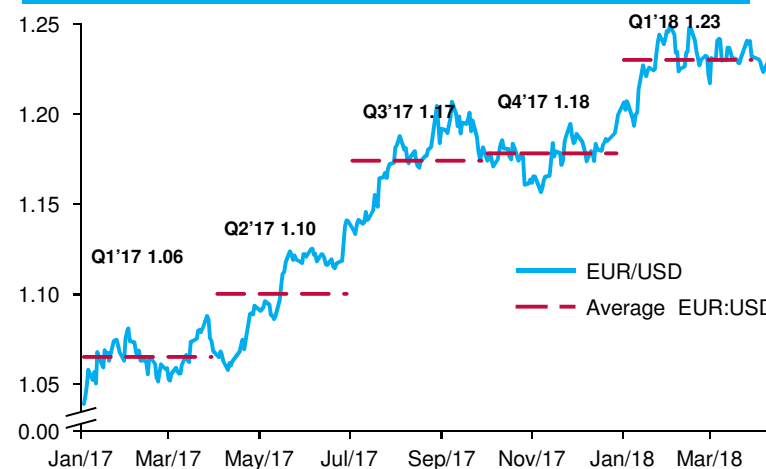
## Treatment Charges

- Zinc benchmark treatment charges for 2018 have been settled at USD 147 per dmt of concentrate

LME zinc price USD/t



EUR: USD Exchange Rate



# Stable safety performance, improved zinc metal and mine production

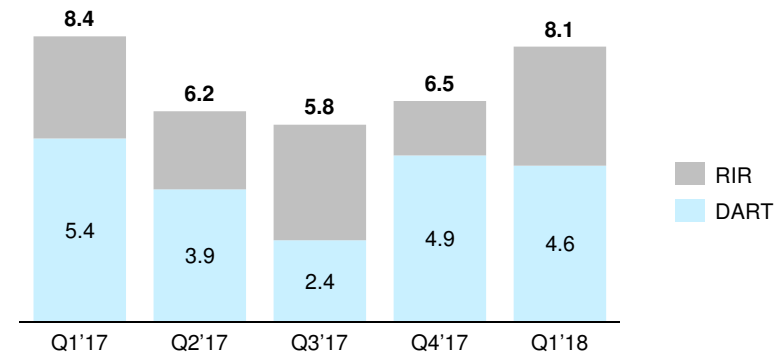
## Safety, Health & Environment

- Significant reduction in the severity of injuries and frequency rate of cases with lost time or restricted duties (DART)
- No environmental events with material business consequences occurred in the first 3 months of 2018

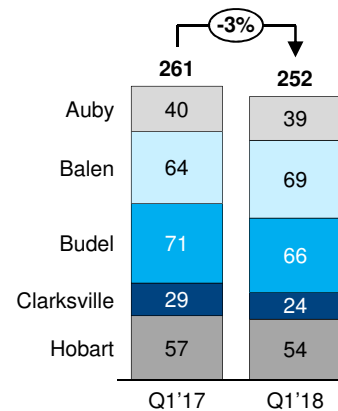
## Production

- Zinc metal production of 252kt, down 3% over first three months of 2017, primarily driven by process failures at Clarksville due to extreme cold weather and a conservative ramp-up of Budel production following the unplanned hydrogen explosion outages of H2'17
- Lead production at Port Pirie of 39kt, up 11% vs. Q1 of 2017
- Zinc in concentrate production of 34kt, up 42% on Q1 2017, primarily due to restart of the Middle Tennessee mines

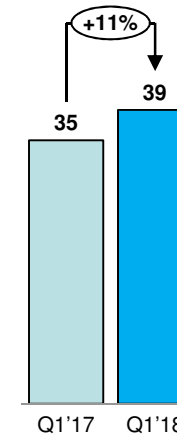
### Lagging Safety Indicators<sup>4</sup>



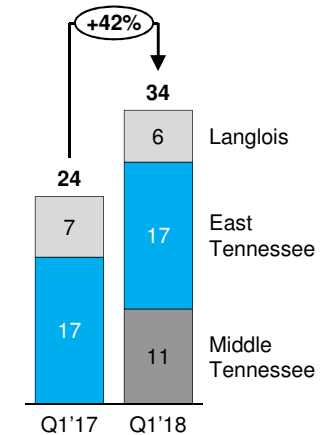
### Zinc metal production per site (kt)



### Lead metal production at Port Pirie (kt)



### Zinc in concentrate per site (kt)

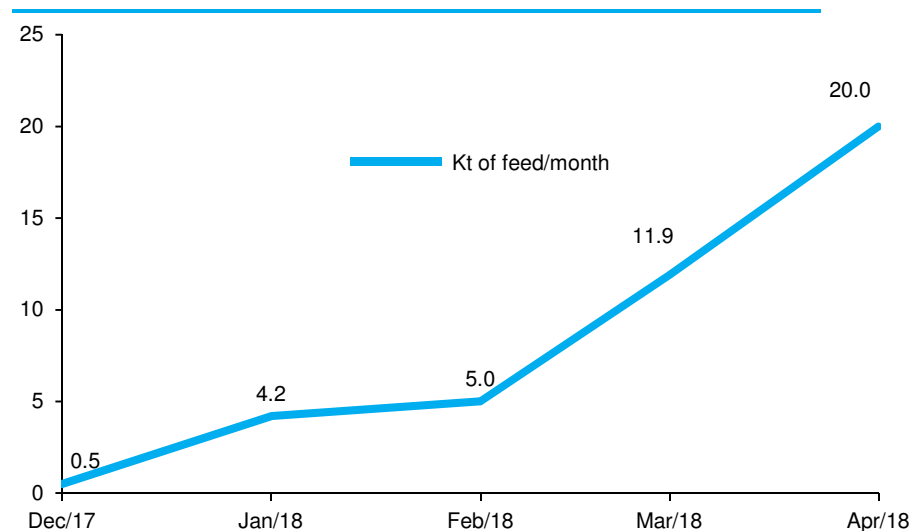




## Port Pirie Redevelopment ramping up well

- Pleasing progress made with:
  - Continuous operating time increasing every month since commencement of ramp-up in December 2017;
  - Volume of material treated ahead of schedule; and
  - Proportion of residue in feed for the new TSL furnace, at 55% during the month of April 2018, ahead of the fully ramped-up target of 40%
- Earnings uplift in-line with guidance provided at the start of 2017 against a 2016 basis, with at least EUR 40 million in H2 2018, EUR 100 million in 2019 and EUR 130 million in 2020
- Substantial volume of metal contained in current Port Pirie residue stockpile

Monthly volume of feed treated in TSL furnace



### Lead concentrate shipments becoming a lower proportion of feed



For further details, visit: [www.nyrstar.com/en/about-us/operations/port-pirie-redevelopment](http://www.nyrstar.com/en/about-us/operations/port-pirie-redevelopment)

### Metal contained in current Port Pirie residue stockpile

Contained metal

Lead	97 kt
Silver	9 Moz
Gold	34 koz
Copper	5 kt
Zinc	57 kt



Overpelt

**Chris Eger**  
Chief Financial Officer



## Financial summary

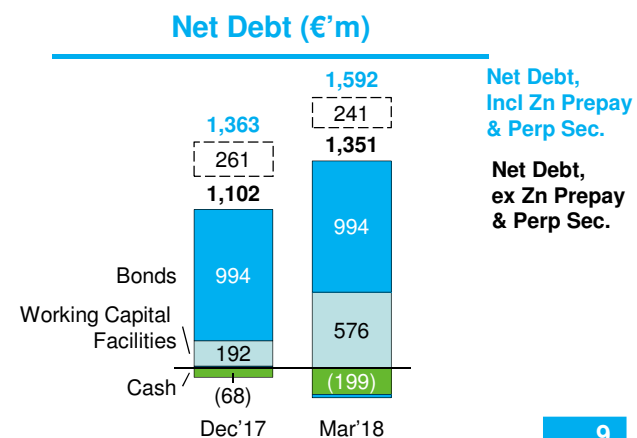
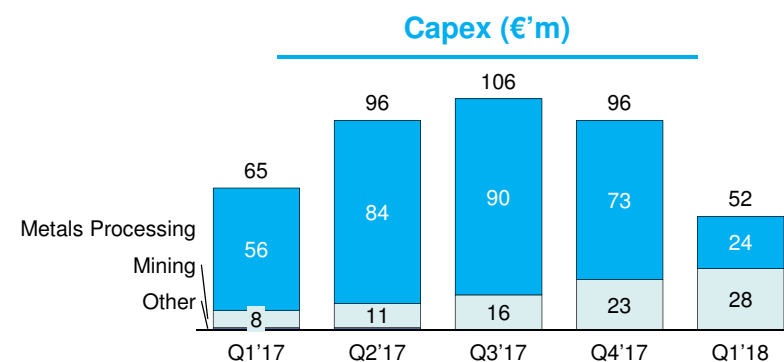
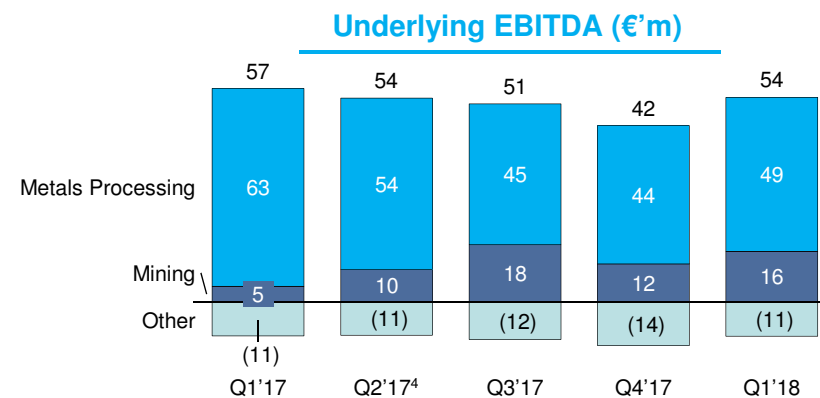
€m	Q1'17	Q1'18	Δ	Δ%
<b>Revenue</b>	931	957	26	3%
MP U. EBITDA	63	49	14	(22%)
Mining U. EBITDA	5	16	11	220%
Other U. EBITDA	(11)	(11)	-	-
<b>Group Underlying EBITDA</b>	<b>57</b>	<b>54</b>	<b>3</b>	<b>(5%)</b>

### Capex

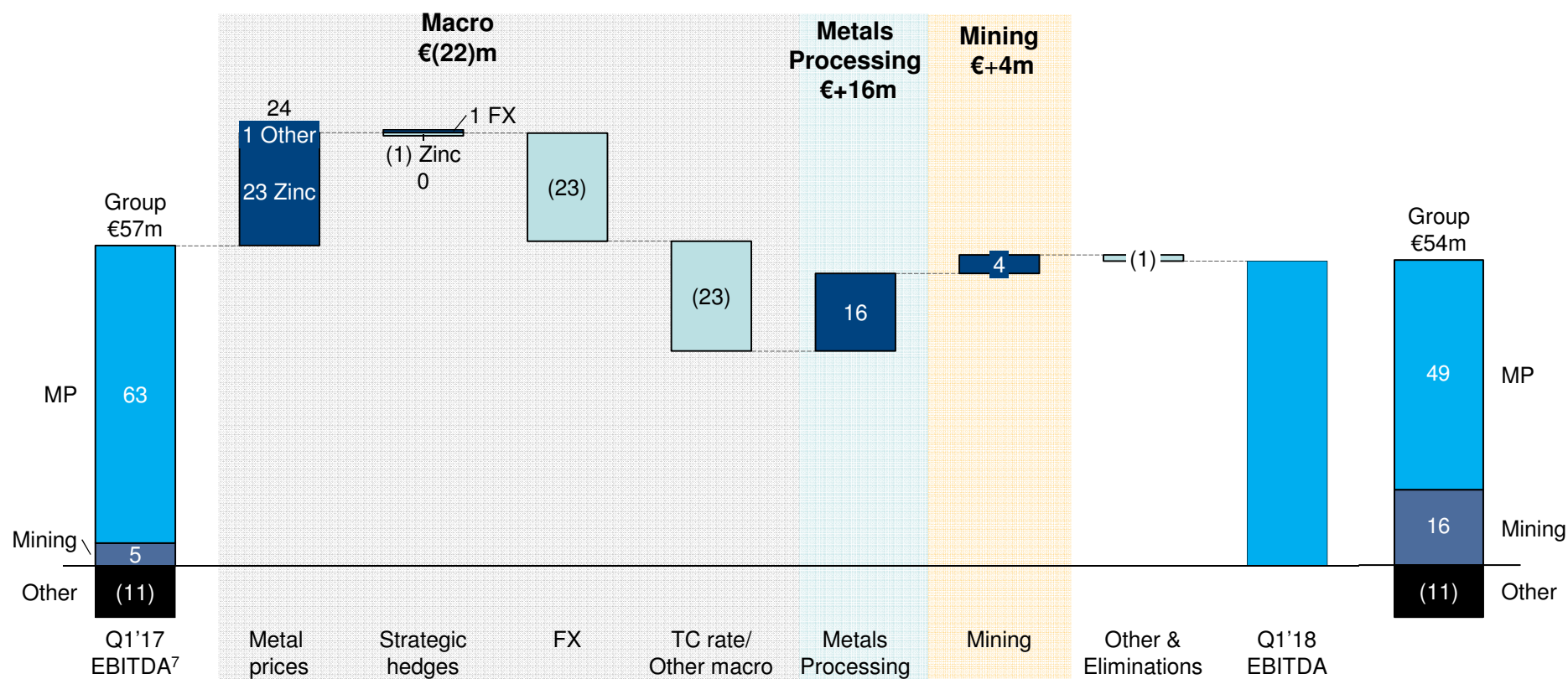
Metals Processing	56	24	(32)	(57%)
Mining	8	28	20	250%
Other	2	-	(2)	-
<b>Group Capex</b>	<b>65</b>	<b>53</b>	<b>(12)</b>	<b>(18%)</b>

€m	Dec'17	Mar'18	Δ	Δ%
<b>Net Debt</b>	1,102	1,351	249	23%

<b>Net Debt, inclusive of Zinc Prepay and perpetual securities</b>	1,363	1,592	229	17%
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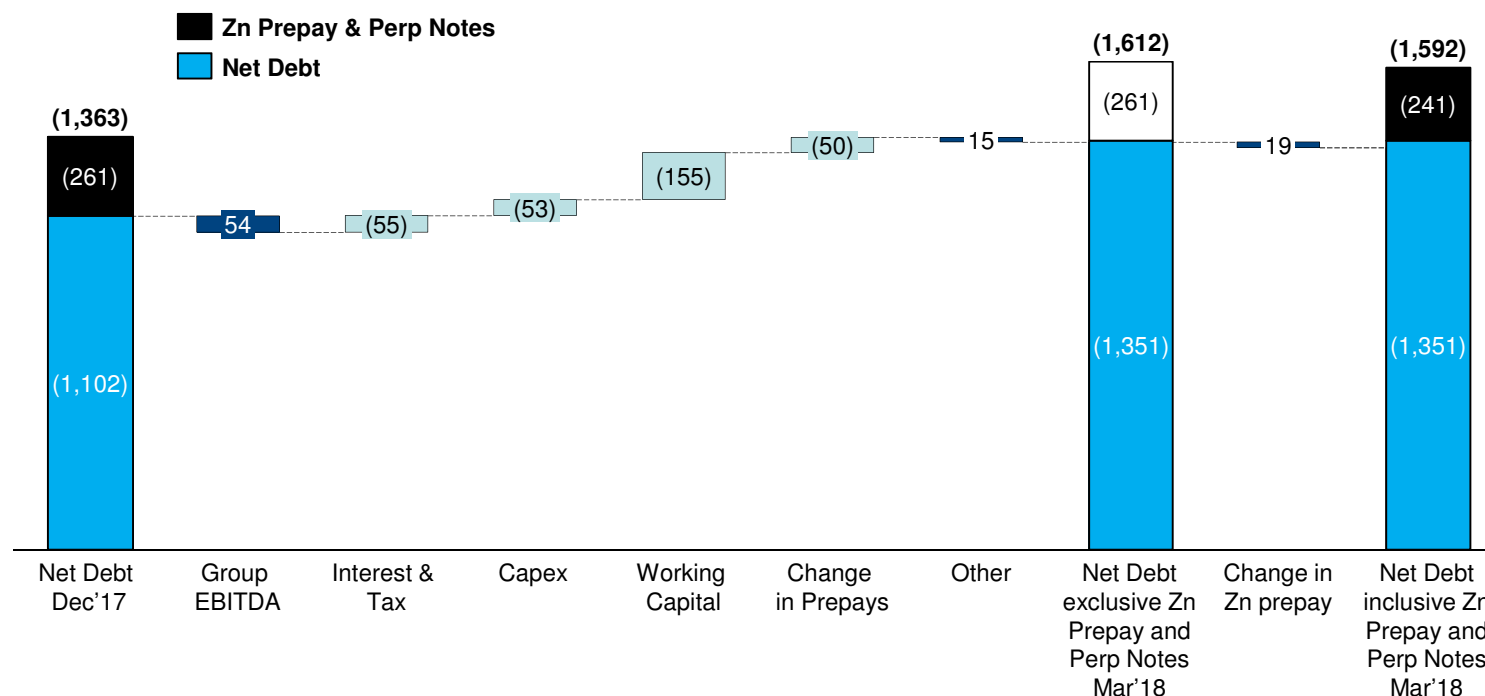


## Group underlying EBITDA – Q1'18 on Q1'17 (€m)



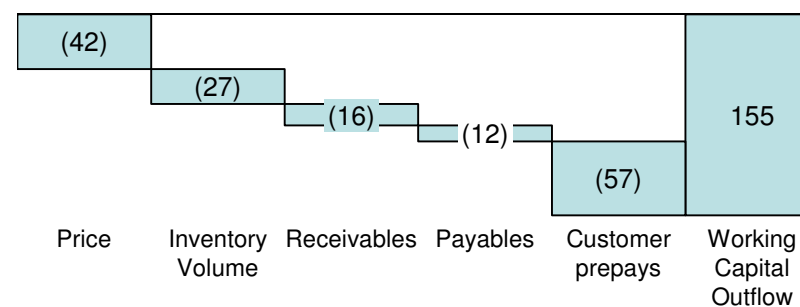
	Q1'17	Q1'18	Δ
Zinc price (USD/t)	2,780	3,421	641
B/M Zn TC (USD/dmt)	172	147	(25)
FX (EUR/USD)	1.06	1.23	(0.17)
FX (EUR/AUD)	1.40	1.57	(0.17)
Zinc metal (kt)	261	252	(9)
Zinc in concentrate (kt)	23	33	10

## Net Debt evolution Q1 2018



- Amortisation of silver prepays was not offset by the issuance of new silver prepays during the quarter
- Cash balance at the end of Q1 2018 of EUR 199m with liquidity of EUR 479m
- Continue to monitor the market for additional opportunistic financings to refinance prepays and manage EUR 350m Sep. 2019 senior notes maturity
- KBC trade finance facility of EUR 50 renewed during April 2018 through to the end of July 2019

### Working capital outflow in Q1'18 (€'m)







*Middle Tennessee*

**Hilmar Rode**  
Chief Executive Officer



## Strategic priorities remain consistent to transform the business

- 1 Reinforce our strong safety culture and improving visible safety leadership
- 2 Ramp-up the Port Pirie Redevelopment to deliver a substantial earnings uplift
- 3 Bring about a step change in operational performance across the zinc smelting network to unlock the full potential of the existing asset base
- 4 Optimise the North American mines to their full potential as a core Nyrstar business, including restarting and ramping-up of the Myra Falls mine
- 5 Maintain the current strong balance sheet and liquidity profile utilising a diverse range of funding opportunities

# Questions





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

## Outstanding balances at 31 March 2018 (€m)

	Drawing €m	Capacity €m	Maturity
<b>Structural Debt</b>			
2018 Convertible Bond	29	29	Sept 2018
2019 High Yield Bond	350	350	Sept 2019
2022 Convertible Bond	115	115	July 2022
2024 High Yield Bond	500	500	Mar 2024
<b>Structural Debt</b>	<b>994</b>	<b>994</b>	

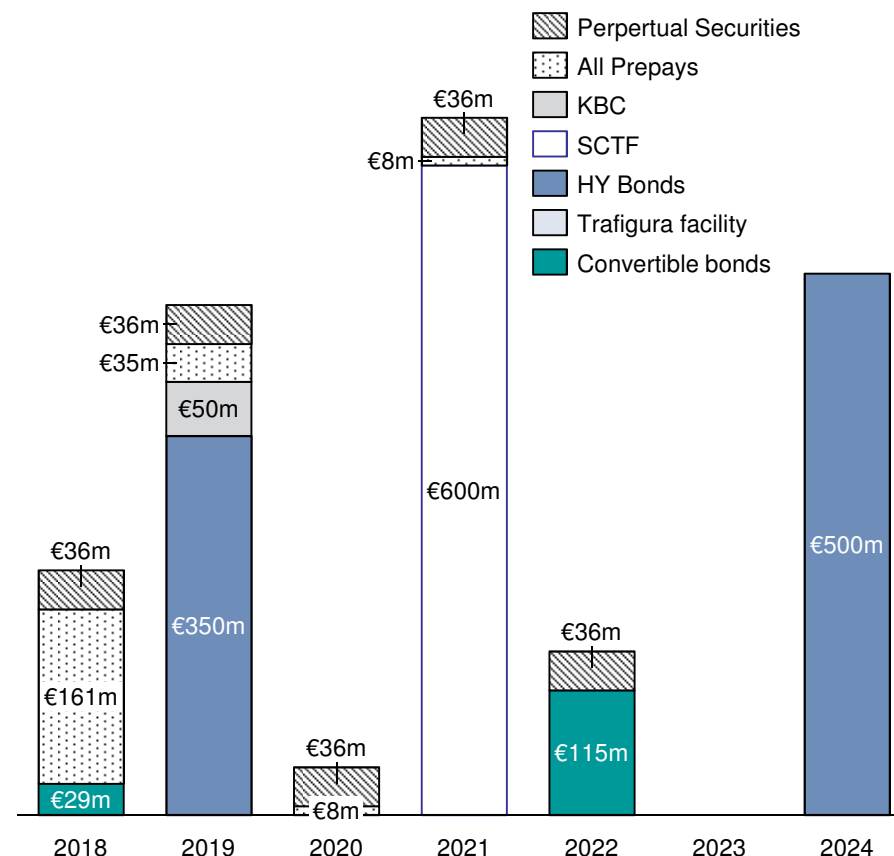
## Working Capital Facilities

SCTF	570	600	Dec 2021
Loan from Related Party (Trafigura)	0	203	Dec 2019
KBC	0	50	July 2019
<b>Working capital facilities</b>	<b>570</b>	<b>853</b>	

## Prepays in Other Financial Liabilities / Deferred Income

Zinc Prepay (Dec-2015) – 12 month grace	56	Dec 2018
Silver Prepay PPR	39	Aug 2019
Silver Prepay (Mar-17) – 6 month grace	-	Mar 2018
Silver Prepay (May-17) – 11 month grace	41	Nov 2018
Silver Prepay (Jun-17) – 10 month grace	41	Sep 2018
Silver Prepay (Dec-17) – 10 month grace	49	July 2019
Silver Prepay (Dec-17) – 12 month grace	8	Dec 2018
Copper Prepay (Dec-17) – 12 month grace	25	Dec 2021
<b>Prepays</b>	<b>259</b>	

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



<sup>1</sup> Anticipated amortisation profile for the Perpetual Securities

Perpetual Securities<sup>1</sup>

<b>Perpetual Securities</b>	<b>182</b>
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## Endnotes

1. 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>
2. Net debt excluding zinc metal prepay and perpetual securities. The net debt at 31 March 2018 including zinc metal prepay and perpetual securities was EUR 1.592 billion
3. Lost Time Injury Rate (LTIR) and Recordable Injury Rate (RIR) are 12 month rolling averages of the number of lost time injuries and recordable injuries (respectively) per million hours worked, and include all employees and contractors directly and non directly supervised by Nyrstar at all current operations. Prior period data can change to account for the reclassification of incidents following the period end date and the disposal of operations