



2024

# Financial Results

Investor Presentation

10 February, 2025



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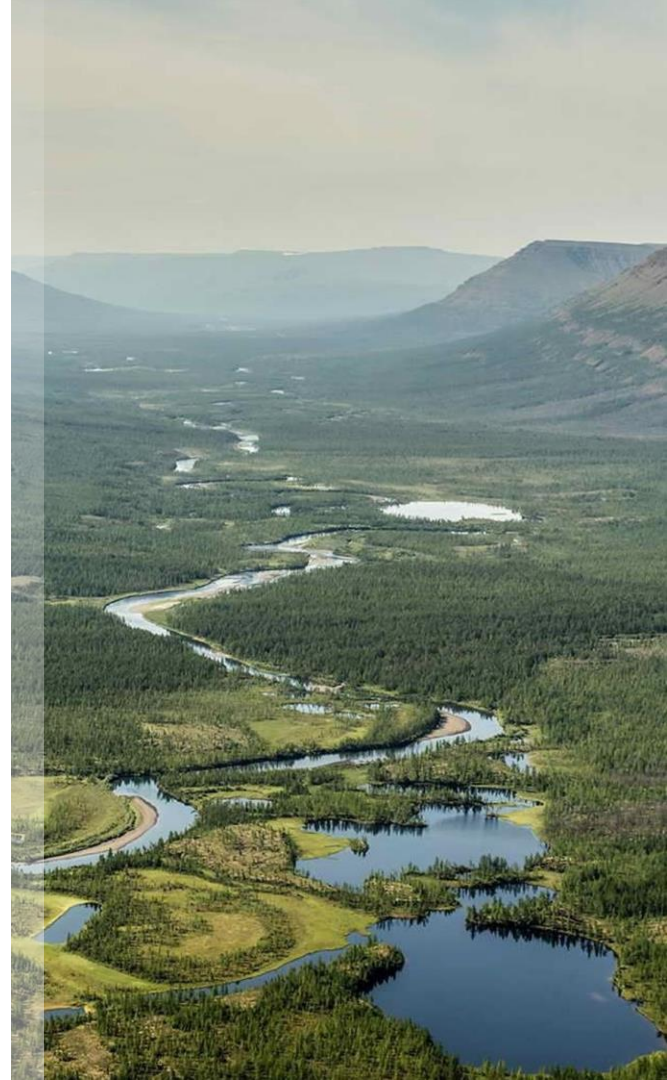
# 2024 Financial Performance Highlights

<b>Revenue</b> <b>\$12.5 bn</b> -13%	<ul style="list-style-type: none"> <li>+ Higher realized prices (Cu, Au)</li> <li>- Lower realized prices (Pd, Ni)</li> </ul>	<b>CAPEX</b> <b>\$2.4 bn</b> -20%	<ul style="list-style-type: none"> <li>+ Depreciation of RUB against USD</li> <li>+ Investment efficiency programme</li> </ul>
<b>EBITDA</b> <b>\$5.2 bn</b> -25% EBITDA margin 41%, -7 p.p.	<ul style="list-style-type: none"> <li>+ Depreciation of RUB against USD</li> <li>- Lower revenue</li> <li>- The effect of temporary export customs duties</li> </ul>	<b>NWC<sup>2</sup></b> <b>\$3.0 bn</b> -3%	<ul style="list-style-type: none"> <li>+ Depreciation of RUB against USD</li> <li>+ Decrease in work-in-progress</li> <li>+ Materials and supplies decrease</li> </ul>
<b>Operating costs<sup>1</sup></b> <b>\$5.1 bn</b> -3%	<ul style="list-style-type: none"> <li>+ Depreciation of RUB against USD</li> <li>+ Lower costs despite inflation</li> <li>- The effect of temporary export customs duties</li> </ul>	<b>Free Cash Flow (FCF)</b> <b>\$1.9 bn</b> -31%	<ul style="list-style-type: none"> <li>+ Decrease in income tax payments</li> <li>+ Lower CAPEX</li> <li>- Lower EBITDA</li> </ul>
<b>Net Debt/ EBITDA</b> <b>X1.7</b> +x0.5	<ul style="list-style-type: none"> <li>+ Lower CAPEX</li> <li>- Lower EBITDA</li> <li>- Payment of dividends for 9 months of 2023</li> <li>- Higher interest paid</li> </ul>	<b>FCF adjusted<sup>3</sup></b> <b>\$0.3 bn</b> -75%	<ul style="list-style-type: none"> <li>- Increased cost of funding</li> </ul>

Source: Company data

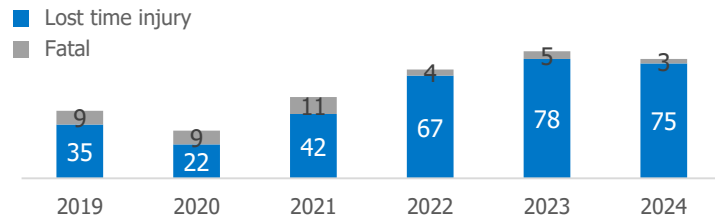
Note 1. Cash operating costs included in cost of metal sales, 2. Net Working Capital, 3. Free Cash Flow less interest paid, payments of lease liabilities and dividends paid to non-controlling interests

# HSE and Environment

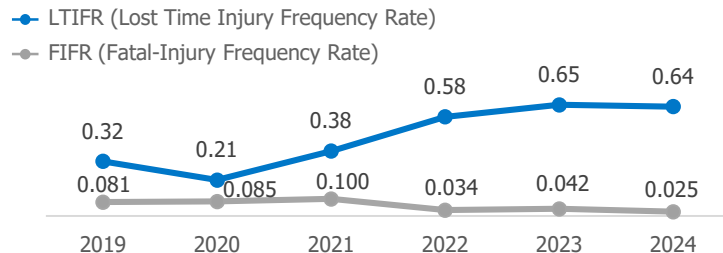


# Health and Safety — Strategic Priority for the Management

## Accident Statistics: Number of Fatal Accidents Decreased



## LTIFR and FIFR Dynamics



- The management reiterates its major strategic focus of **transforming Norilsk Nickel into a zero-fatality** mining company
- In 2024, the Company reached a **historical minimum** in the number of fatal accidents
- High level of the number of lost time injuries explained by the relentless **focus of the Company's management on the transparency** of reporting data collection
- **Key initiatives aimed at improving industrial safety:**
  - ✓ Change the format of communication - focus on simple and interesting examples of Occupational Health and Safety
  - ✓ Implementation of own digital solutions to prevent accidents
  - ✓ Implementation of a new audit format aimed at identifying systemic inconsistencies
  - ✓ Replication of lessons learned from investigations

Source: Company data

Note: FIFR (Fatal-Injury Frequency Rate) - number of fatalities / actual hours worked by all employees \* 1 000 000

LTIFR (Lost Time Injury Frequency Rate) - lost workdays due to injuries (excluding fatal) / actual hours worked by all employees \* 1 000 000



# First Results of the Sulphur Programme in Norilsk

**99 %**

efficiency of the first processing line

**390 kt**

of sulphur dioxide and off-gases  
disposed in 2024<sup>1</sup>

**24 %**

reduction in sulphur dioxide emissions  
at Norilsk site in 2024 (vs.2023)



Source: Company data

Note: 1. More details <https://nornickel.ru/news-and-media/press-releases-and-news/nornikel-podtverdil-effektivnost-raboty-sernoy-programmy-v-norilske/>

# Environmental Program: Reduction of SO<sub>2</sub> Emissions

**Nornickel's target – achieve industry-benchmark for SO<sub>2</sub> emissions reduction rate**

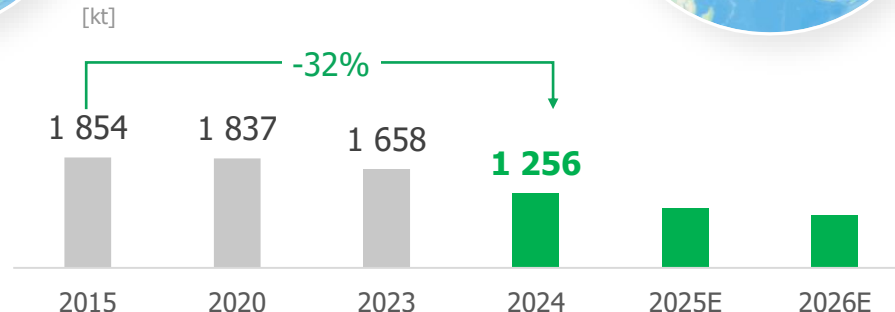
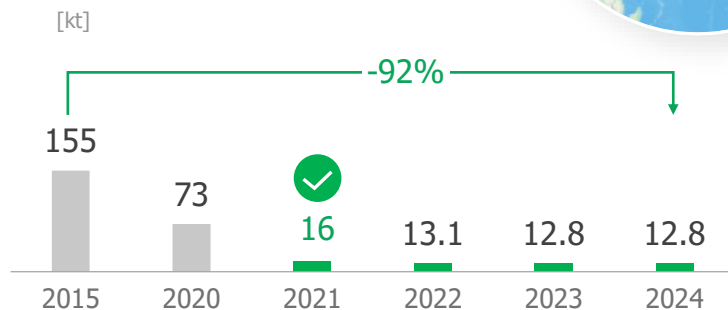
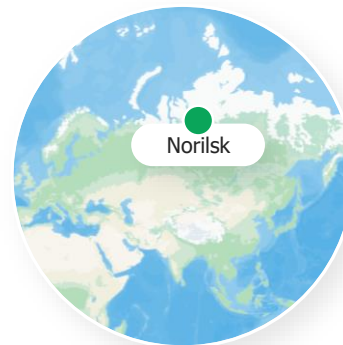
## Kola site:

SO<sub>2</sub> emissions were cut 90%+ from 2015 ahead of the target (85%)



## Norilsk site:

The "Sulfur Program" at the Nadezhda Metallurgical Plant was launched in October 2023. The second technological line was launched in September 2024.



Source: Company data. More information <https://www.nornickel.ru/sustainability/projects/sulphur/>

Note: 2025-2026E - in accordance with the PPEE and the action plan for achieving emission quotas

# Air Quality Monitoring System

## Implementation of a system for monitoring the quality of atmospheric air

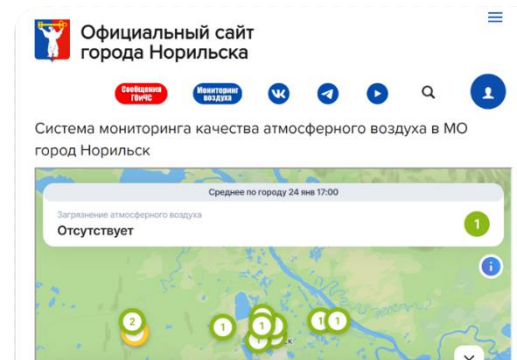
### Automatic control of emissions at the production site

- **Project objectives:** compliance with the legislation of the Russian Federation, online control of industrial emissions by the state
- **Project status:** completion of pilot operation, preparation for acceptance by Rosprirodnadzor

### Monitoring of atmospheric air in Norilsk

- **Project goals:** voluntary informing of citizens, high standards for disclosure
- **Project status:** official launch of the service in Norilsk on December 25, 2024<sup>1</sup>

**Compliance with international best practices and standards for disclosure of information on the impact on atmospheric air**

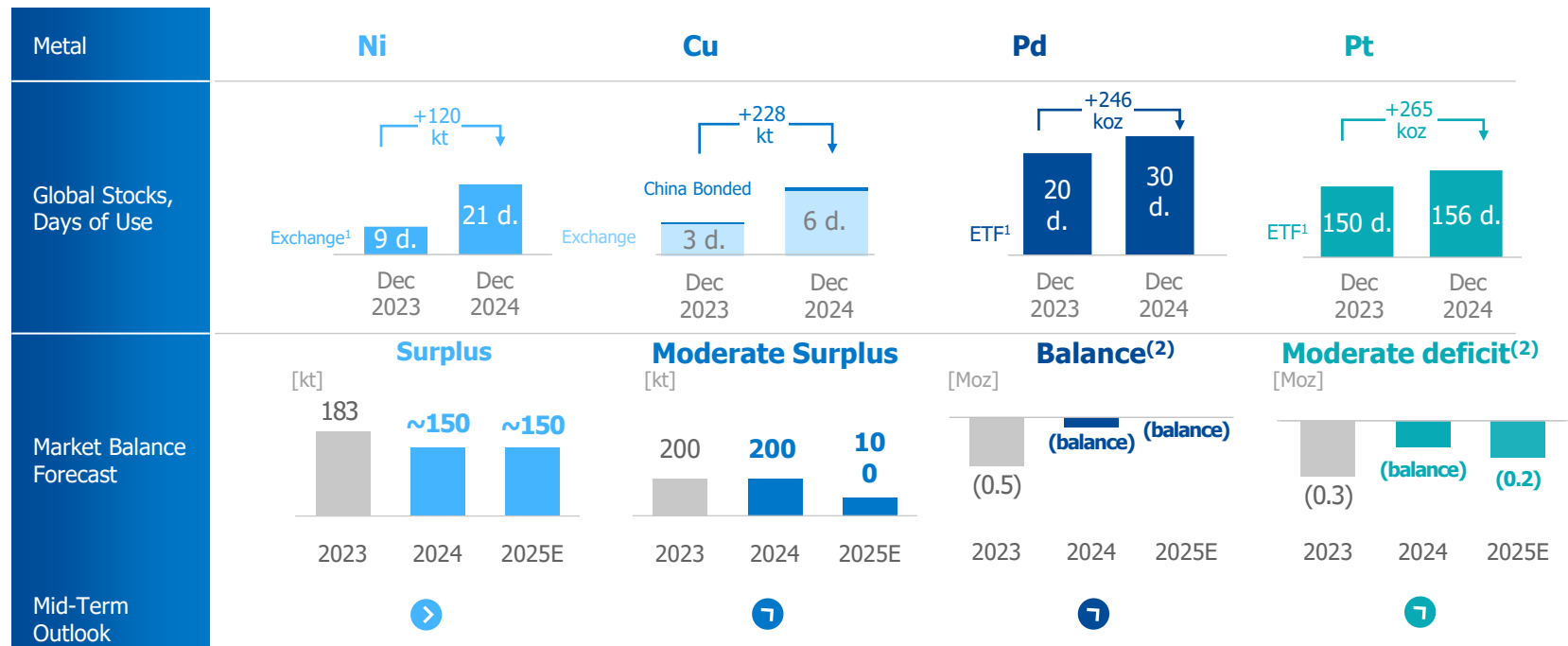




# Markets update



# Metal Markets Overview

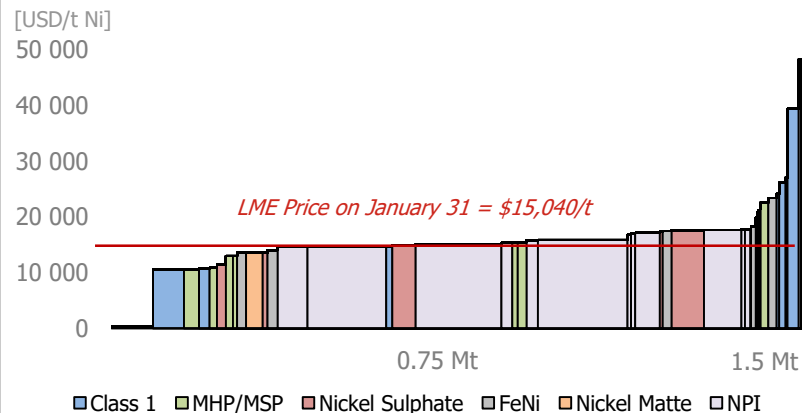


Source: Company estimates

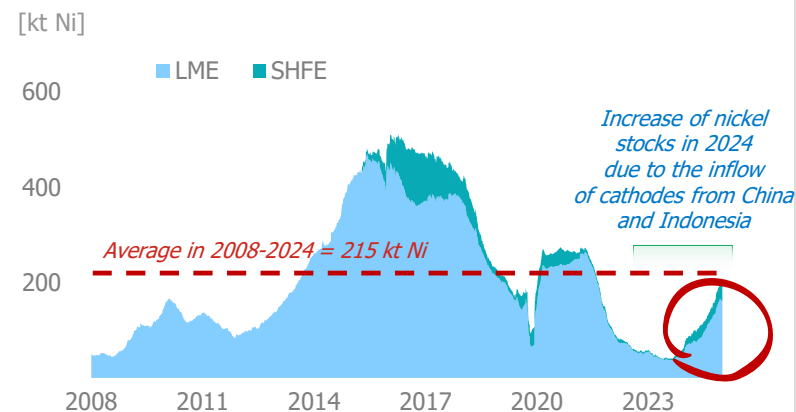
Notes: 1. In days of use; 2. Excluding investment and other stock movement

# Around a Half of All Nickel Producers are Now Loss-Making, Leading to Production Cuts at High-Cost Operations

## ~50% of All Nickel Producers are Cash-Positive with the Current Nickel Price<sup>1</sup>



## In 2024, Nickel Exchange Stocks Surged Almost Threefold



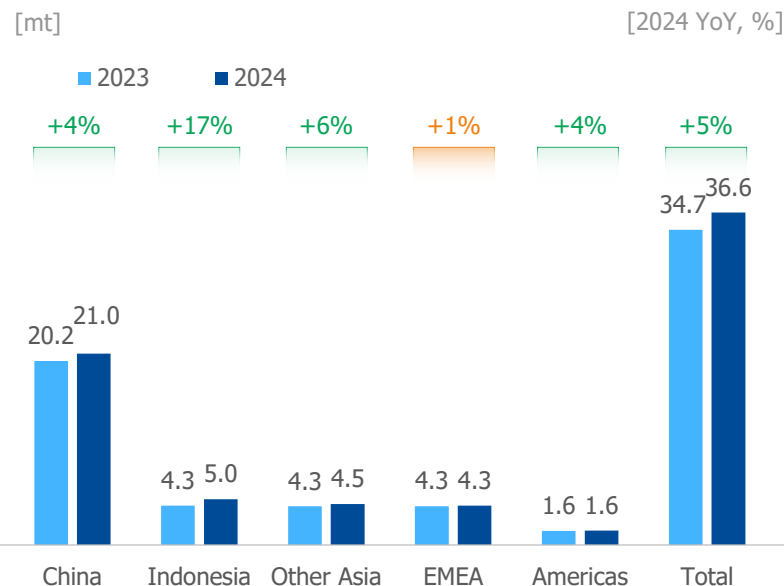
- Decline of the nickel price to 15,000 \$/t has led to the closures of several high-cost operations, especially in Australia and New Caledonia. Over 400 kt Ni of capacities (12% of global nickel supply) currently idled or being at risk of closure
- Increase of nickel exchange stocks in 2024 was driven by the inflow of newly registered material from China and Indonesia. By the end of 2024, the share of Chinese and Indonesian nickel rose above 50% of total LME nickel stocks

Sources: LME, SHFE, SMM, Company estimates

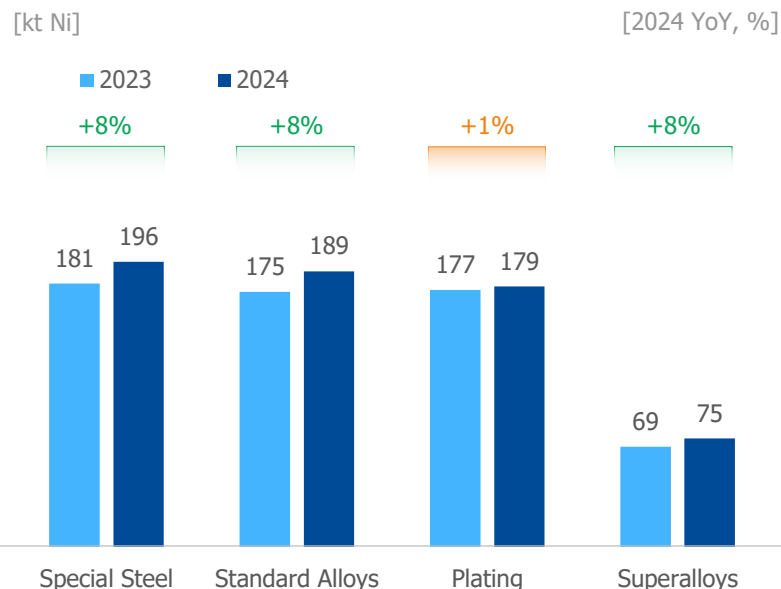
Note: 1. LME-adjusted production cost in 1H 2024 (ex. Norinickel) adjusted to the LME deliverable Class 1 by adding an assessed product premium or discount for each form of nickel

# Nickel Demand: Growing Stainless Steel Output, Robust Use of Nickel-Containing Alloys and Special Steels

## Stainless Steel (65% of Total Nickel Use): Rising Production of Ni-Containing 300 Series All Over the Globe, Excluding Europe

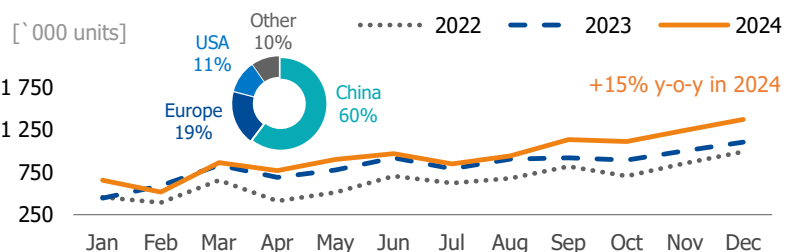


## Alloys, Special Steel and Plating (20% of Total Nickel Use): Solid End-Use Demand from the Oil & Gas and Aerospace Industries

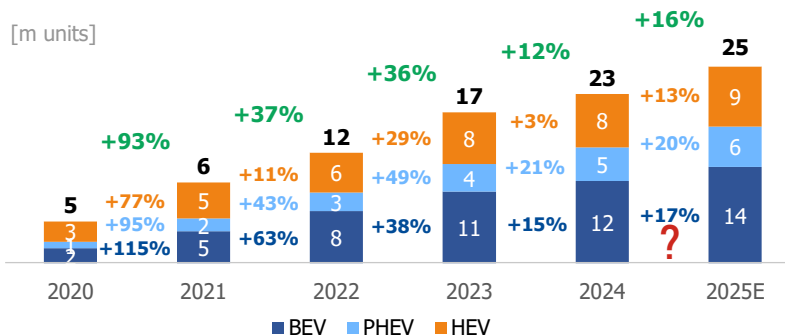


# Automotive Sector: Slowdown of Auto Sales Due to High Interest Rates and Weak Consumer Demand in Key Regions

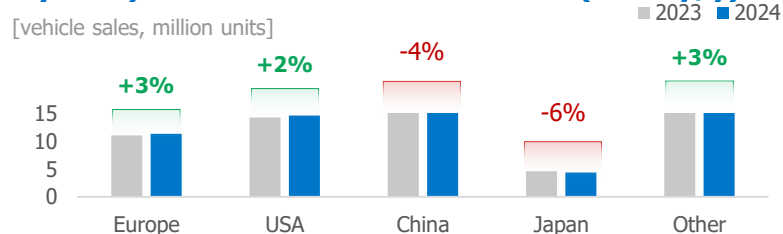
## Batteries for EVs (15% of Total Nickel Use): Slowdown of BEV<sup>1</sup> Sales in 2024



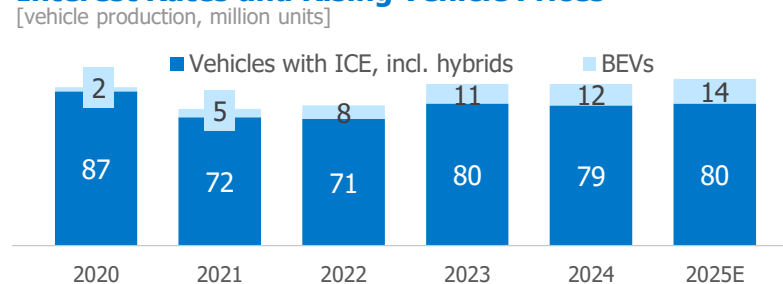
## PHEVs are Driving the xEV Sales in 2024



## Global Sales of ICE-equipped Vehicles (incl. Hybrids): 78 Million Vehicles for 2024 (+1% y/y)



## Vehicle Production Growth is Slowed by High Interest Rates and Rising Vehicle Prices



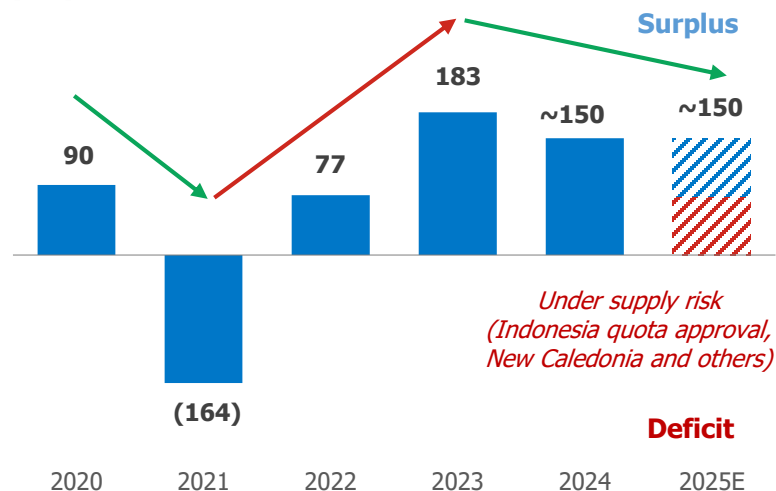
Sources: SNE, LMCA, IHS, CRU, Company estimates

Notes: BEV – Battery Electric Vehicle; HEV – Hybrid Electric Vehicle; PHEV – Plug in Hybrid Electric Vehicle, xEV – all kinds of electrified transport (HEV, PHEV, BEV)

# Nickel Market is Currently in Surplus, but Potential Supply Risks Could Lead to More Balanced Market

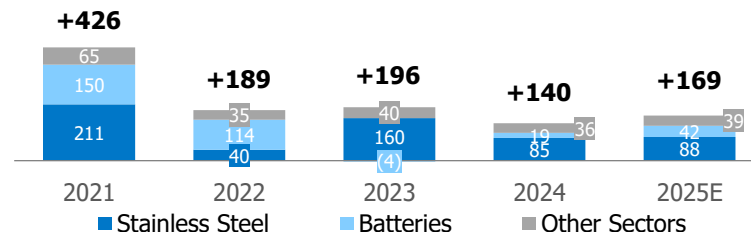
## Nickel Market Balance: Surplus is Represented by the Inflow of China-Origin Class 1 Nickel to the LME Warehouses in Asia

[kt Ni]



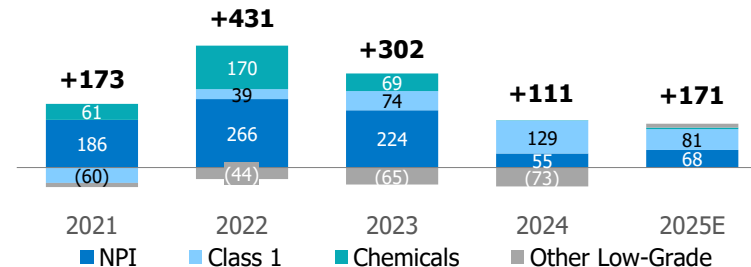
## Nickel Use: Stainless Steel is the Key Driver of Demand Growth from 2023

[annual change in nickel demand, kt Ni]



## Nickel Supply: Slowdown of NPI & Chemicals Production in 2024, Increase in Class 1 Output

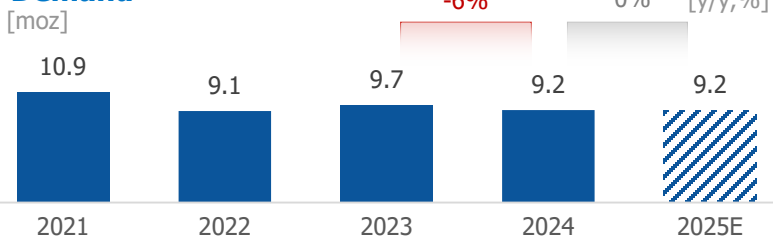
[annual change in nickel supply, kt Ni]



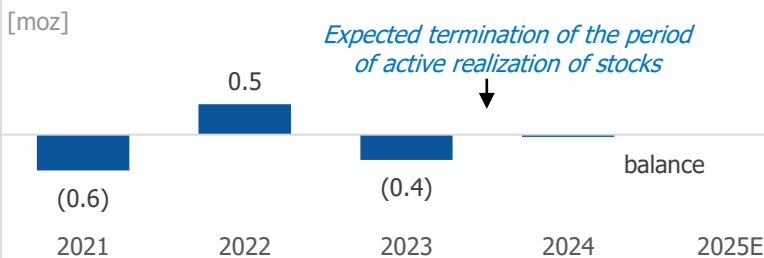


# Palladium Market: Balanced State as Both Demand From the Automotive Industry and Recycling Volumes Contracted

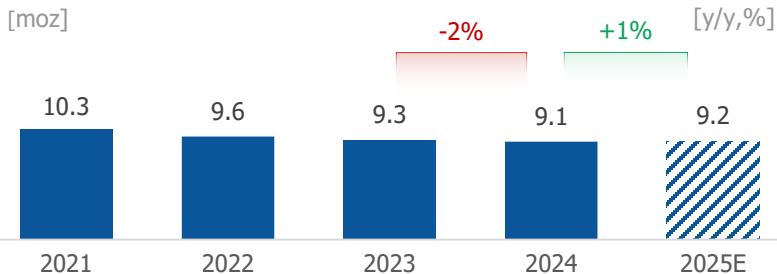
## Consumption: Stagnation of Automotive Production and Declining Loadings in Autocatalysts Reduce Demand



## Market Balance: the 2023-2024 Deficit is Covered by the Realization of Consumer Stocks



## Production: Underperformance Risks in Both Primary and Secondary Production



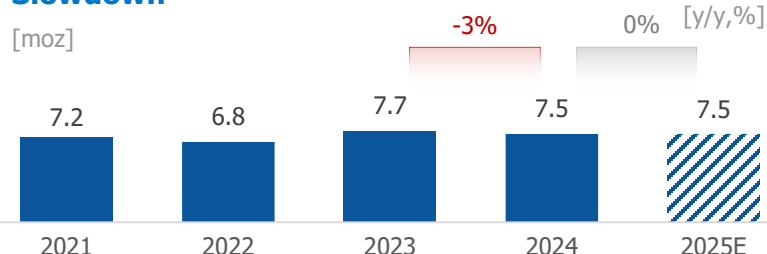
- In North America, production is expected to decline in 2025 (200 koz production cuts at the Stillwater mine) and additional optimization is possible at projects in South Africa
- Despite positive expectations in 2025, there is a risk that recycling will rise only slightly due to slower than expected monetary policy easing in developed economies
- Hybridization of vehicles will sustain palladium demand in the long term

Source: Company estimates

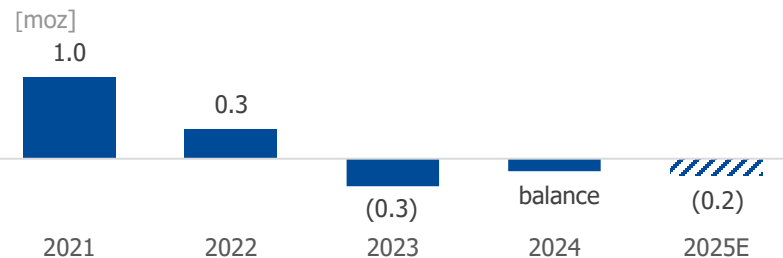
Note: 1. Balance of production and consumption excluding investment demand and other stock movements

# Platinum Market: Shift to a Balanced State due to Stagnation of Both Supply and Demand

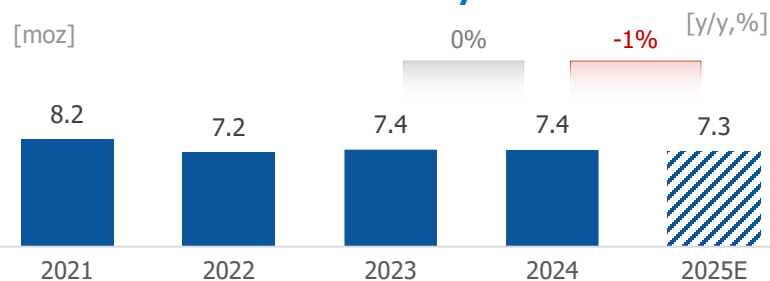
## Consumption: Falling PGM Loadings per Vehicle and Auto Market Stagnation Leads to Demand Slowdown



## Market Balance<sup>1</sup>: in the Medium Term, the Market is Balanced



## Production: South African Production is Expected to Decline due to Low Profitability



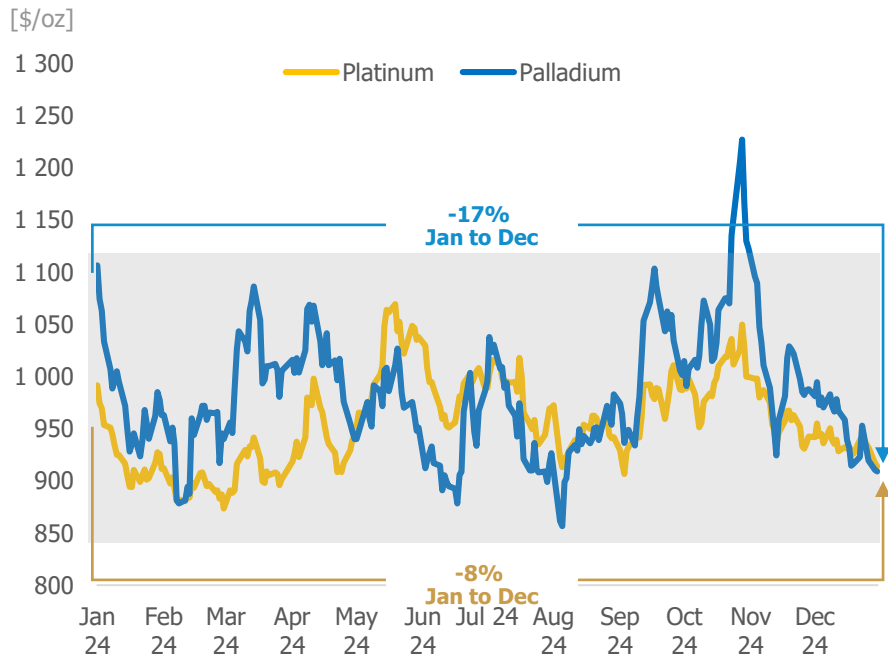
- About half of PGM production out of Russia is unprofitable at current prices – primary production is expected to decline amid decreased production at old mines; launch of new projects has been postponed
- Reverse price substitution for palladium in autocatalysts will keep pressure on consumption in the long term. The share of diesel vehicles continues to decline
- High interest rates and reduction of marketing support continues to put pressure on demand in the jewelry industry

Source: Company estimates

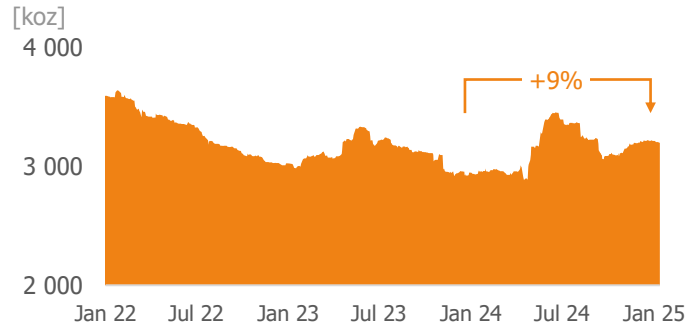
Note: 1. Balance of production and consumption excluding investment demand and other stock movements

# Palladium and Platinum: Price and Investment Activity (ETF)

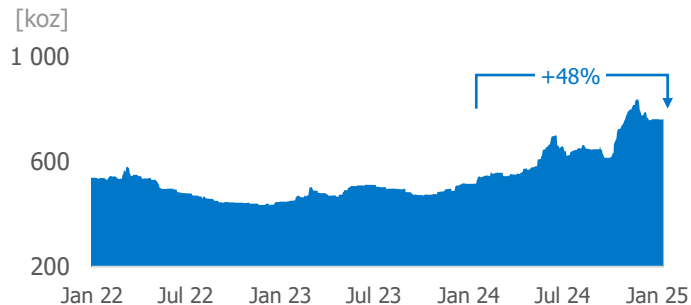
**Platinum and Palladium Prices were in the Range of \$850-1100. On Average, the Platinum Price Decreased by 1% y/y in 2024, while Palladium Contracted by 26% y/y**



**Platinum ETF: +265 koz in 2024**

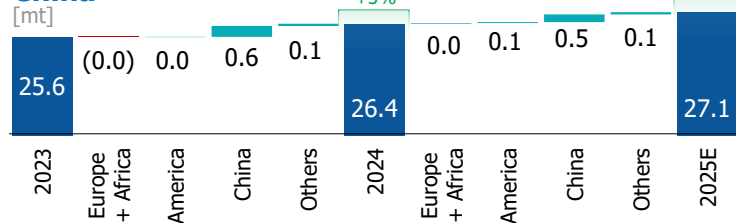


**Palladium ETF : +246 koz in 2024**

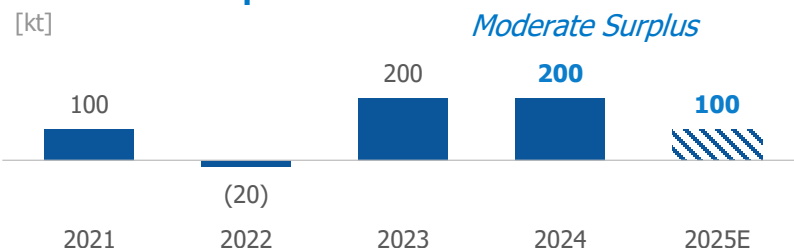


# Refined Copper: the Growth in Demand was Lower than Expected due to the Slowdown in Global Economic Growth

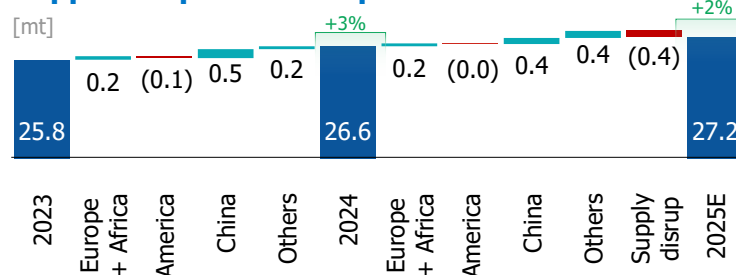
## Consumption: Demand Growth Rates are Limited due to the Weak EU Market and the Slowdown in China



## Market Balance: Weak Demand Growth in China, Combined with Increased Supply, has Shifted the Market to a Surplus in 2024-2025



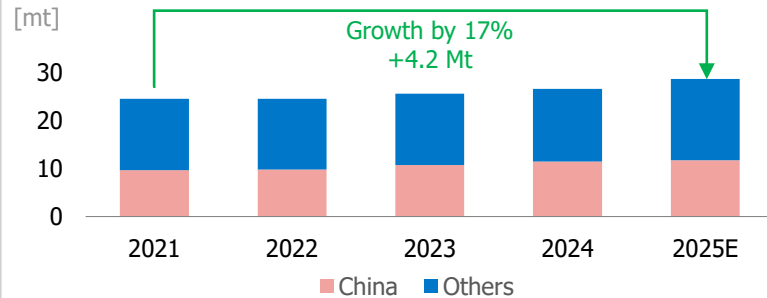
## Production: China Continues to Increase Refined Copper Output from Imported Concentrates



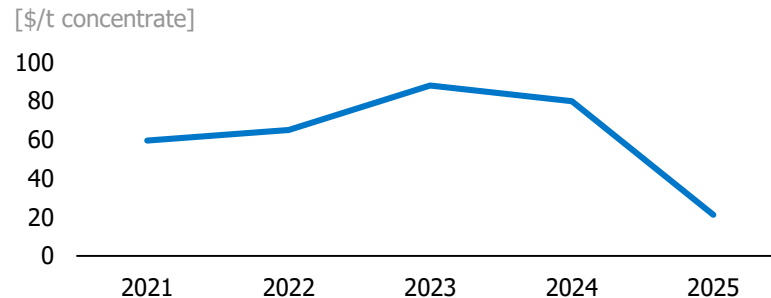
- In 2024**, despite government stimulus measures in China and the beginning of interest rate cuts by major global economies, the copper market remained in surplus. This was driven by a decline in industrial production in Europe, sluggish growth in the U.S., weaker-than-expected consumption in China, as well as increased mining and refined metal production.
- In the long term**, a supply deficit is still expected due to production growth lagging behind demand. This imbalance is primarily driven by the electrification of transportation, the expansion of power grids, the development of renewable energy, and the construction of data centres to support AI infrastructure

# Copper Concentrates: Declining TC/RC<sup>1</sup> Rates Amid the Faster Growth of Smelting and Refining in China

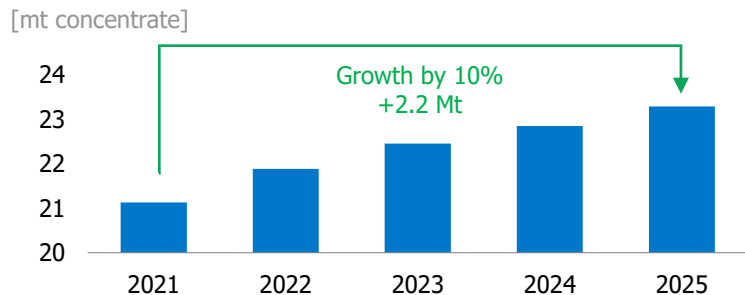
## Global Copper Smelting Capacity



## Annual TC Benchmark Dynamics

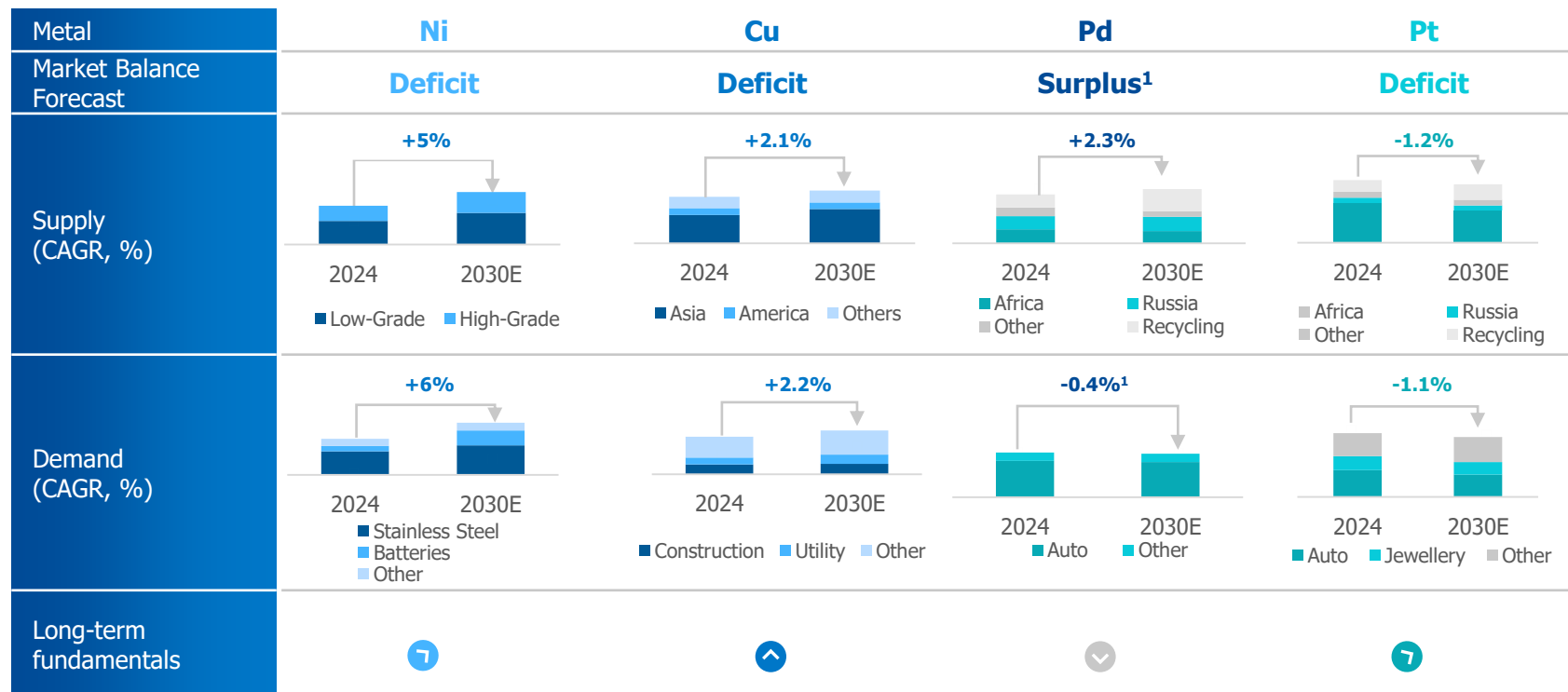


## Global Copper Mining Production



- The TC benchmark for 2025 21.25 (\$/t) is below the breakeven point of around 40 \$/t for Chinese smelters
- Low TCs may lead to the closure of old, inefficient smelters.
- The concentrate deficit will persist for the next 2-3 years, but the increase in supply from Africa will ease it in the long term

# Metal Markets: Outlook on Long-Term Fundamentals



Source: Company estimates

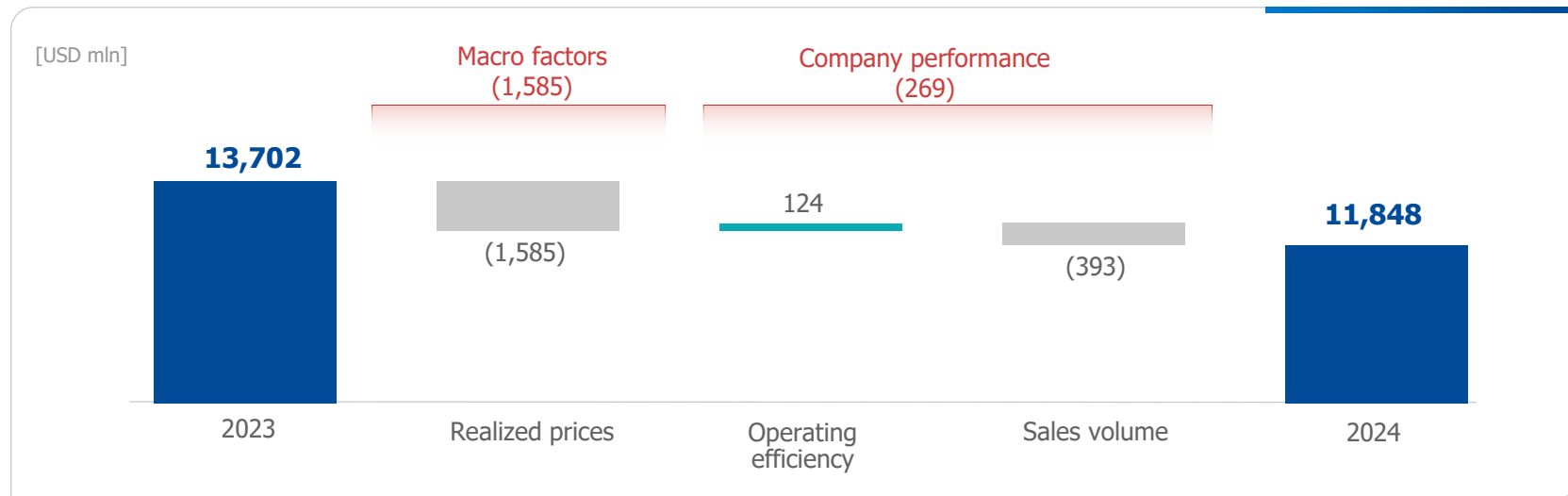
Note: 1. Excluding possible additional demand in new applications



# Financial Update



## Consolidated Metal Revenue Decreased by 14%

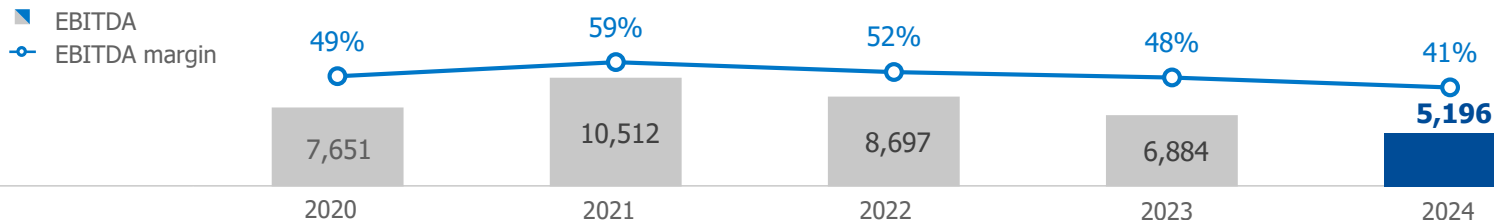


- Lower metal prices for palladium and nickel, which partially offset by higher prices for copper and gold
- Operating efficiency includes additional sales volume as part of the operating efficiency programme
- Lower sales volume due to the high base effect of metal stock sales in 2023

# EBITDA Decreased by 25% due to Macro Factors

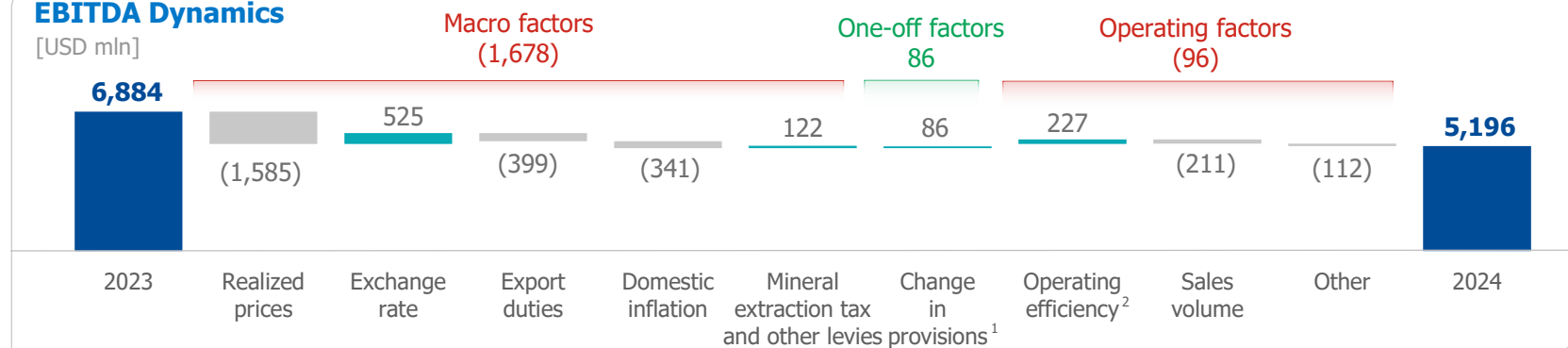
## EBITDA Margin Dynamics

[USD mln]



## EBITDA Dynamics

[USD mln]



Note 1. Change in estimates of the provisions, including social, environmental and asset decommissioning obligations and other provisions,

2. Including additional sales volume as part of the operating efficiency programme, optimization of logistics routes, as well as lower repairs due to improved efficiency in planning and performing repairs and a high base of 2023

# Cash Operating Costs Decreased by 3%

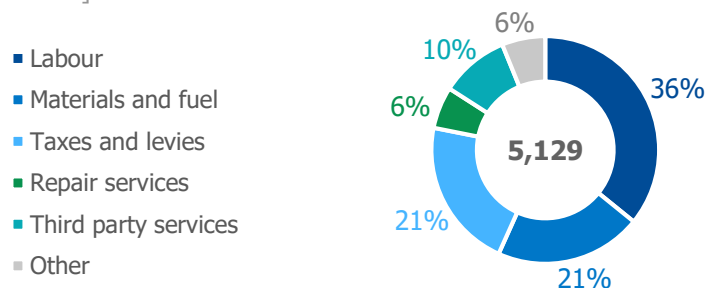
## Cash Operating Costs Dynamics

[USD mln]



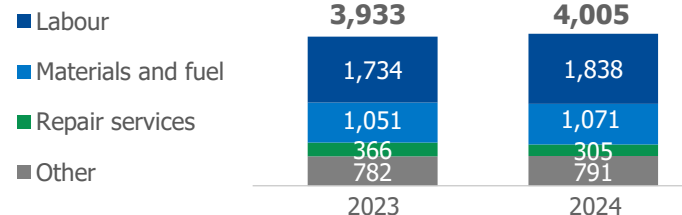
## 2024 Cash Costs Breakdown

[USD mln]



## Adjusted Cash Operating Costs Change<sup>2</sup>: Increase is Significantly Lower than RF Inflation (+8,5%)

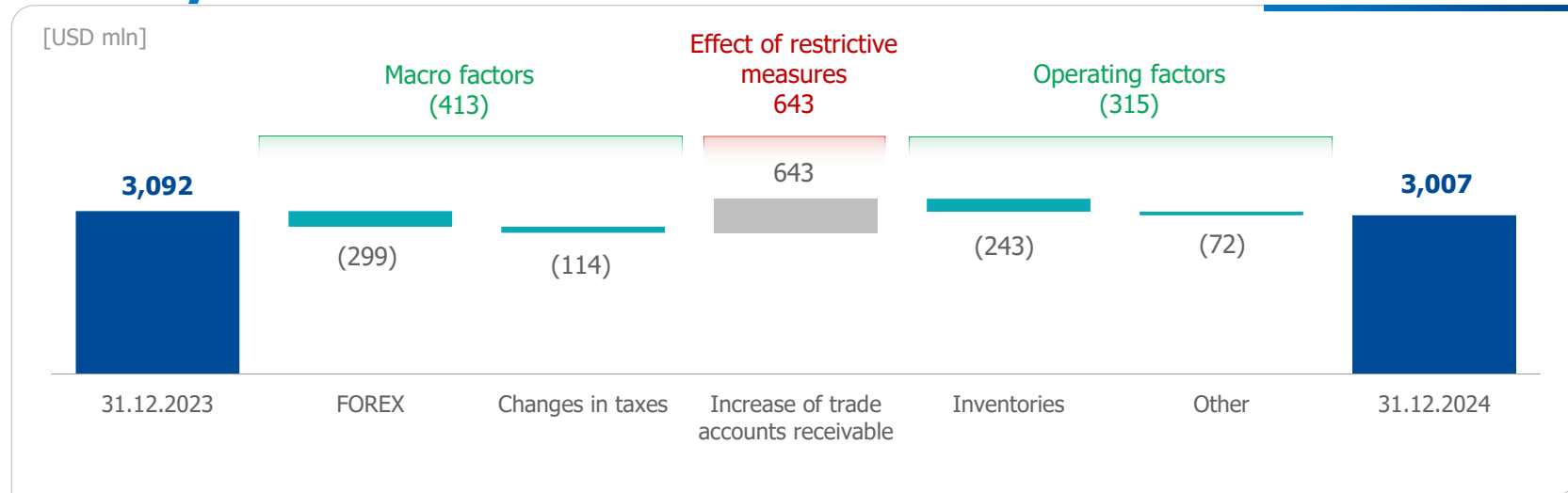
[USD mln]



Note 1. Including lower repairs due to improvement of efficiency in planning and performing repairs and a high base of 2023 as well as optimization of logistics routes

2. Adjusted on FOREX, purchase of semi-products, metals, taxes and levies and export custom duties.

# Decrease of Net Working Capital amid Logistic and Payment Restrictions

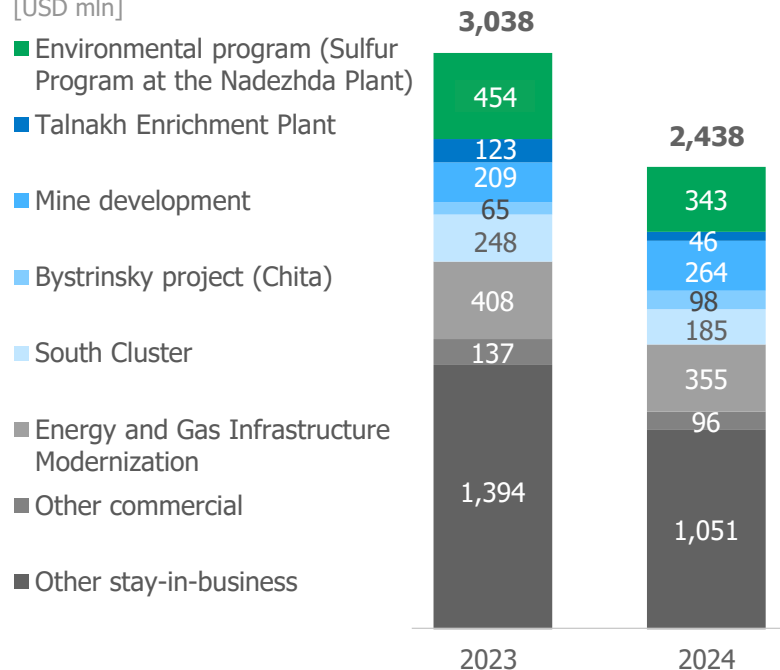


- Increase of trade accounts receivable due to the restrictive measures on logistics and difficulties with making cross-boarder payments
- Inventories reduction due to decrease in work-in-progress, as well as the involvement of accumulated materials and supplies

# CAPEX: Russian Rouble Depreciation against US Dollar, Investment Efficiency Improvement, Launch of the Sulfur Program at the Nadezhda Plant

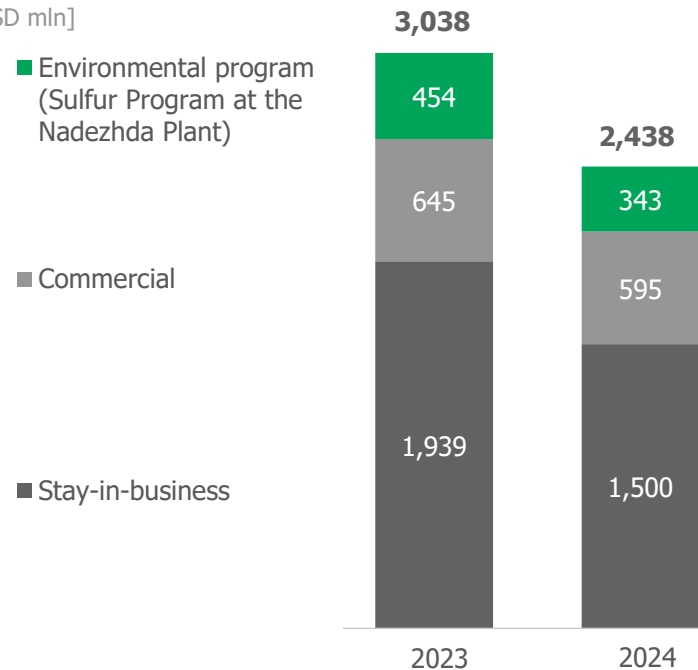
## CAPEX<sup>1</sup> Breakdown by Projects

[USD mln]



## CAPEX<sup>1</sup> Allocation by Type

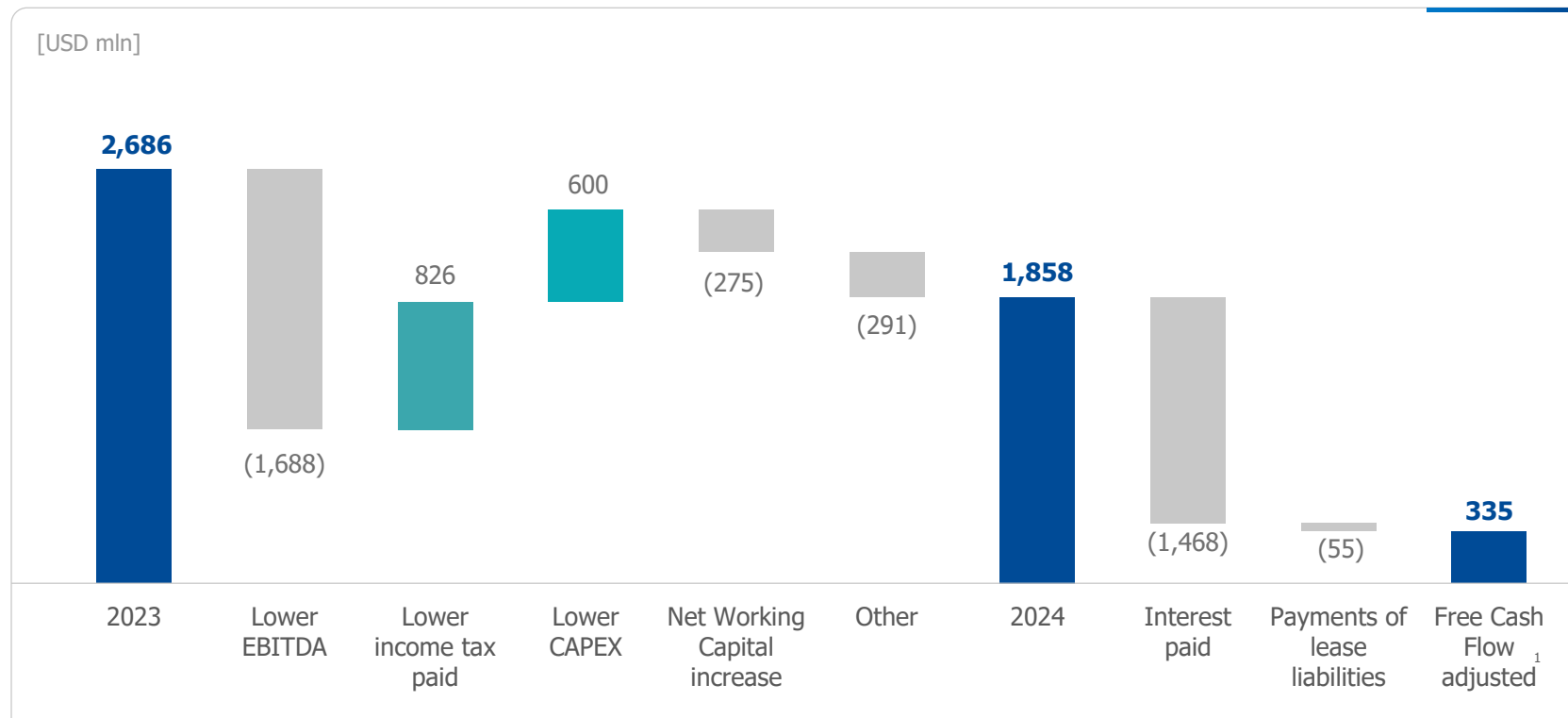
[USD mln]



Note: 1. CAPEX in Cash Flow Statement, net of VAT



# Free Cash Flow Decrease: Lower EBITDA and Higher Interest Paid

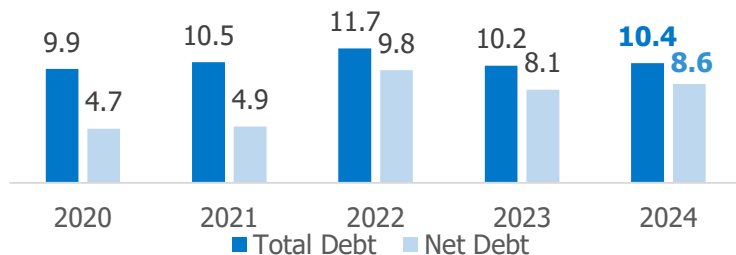


Note 1: Free Cash Flow less interest paid, payments of lease liabilities and dividends paid to non-controlling interests

# Liquidity and Debt Management

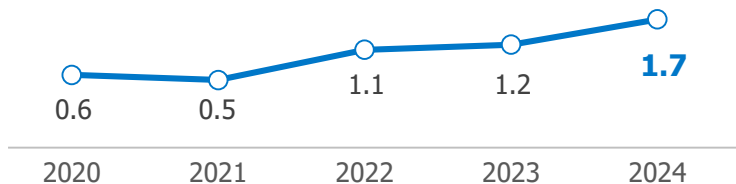
## Leverage within a Manageable Range Given the Current Stage of the Commodity Cycle

[USD bn]



[x]

—○— Net Debt/12M EBITDA



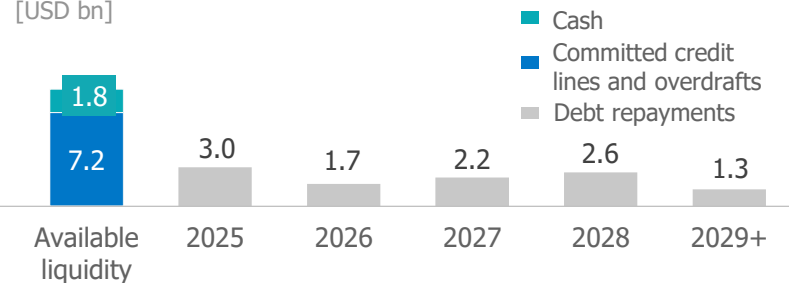
Note 1. Debt includes liabilities under lease agreements

## Key Deals

- Two largest issues in the history of Russian plain-vanilla corporate bonds - RUB 100bn each deal: 5-year issue in March (awarded “Best primary deal by a metallurgical company” by Cbonds) and 5-year issue with a put option in 4 years in October
- Despite challenging market conditions the Company has fully normalised its debt repayment schedule and created a sizeable pool of reserve liquidity well in advance to refinance its debt in 2H 2025
- The Company was assigned at the highest investment-grade level of AAA.ru by NCR, while Expert RA confirmed the Company’s ruAAA rating

## Available Liquidity and Debt Repayment Schedule<sup>1</sup>

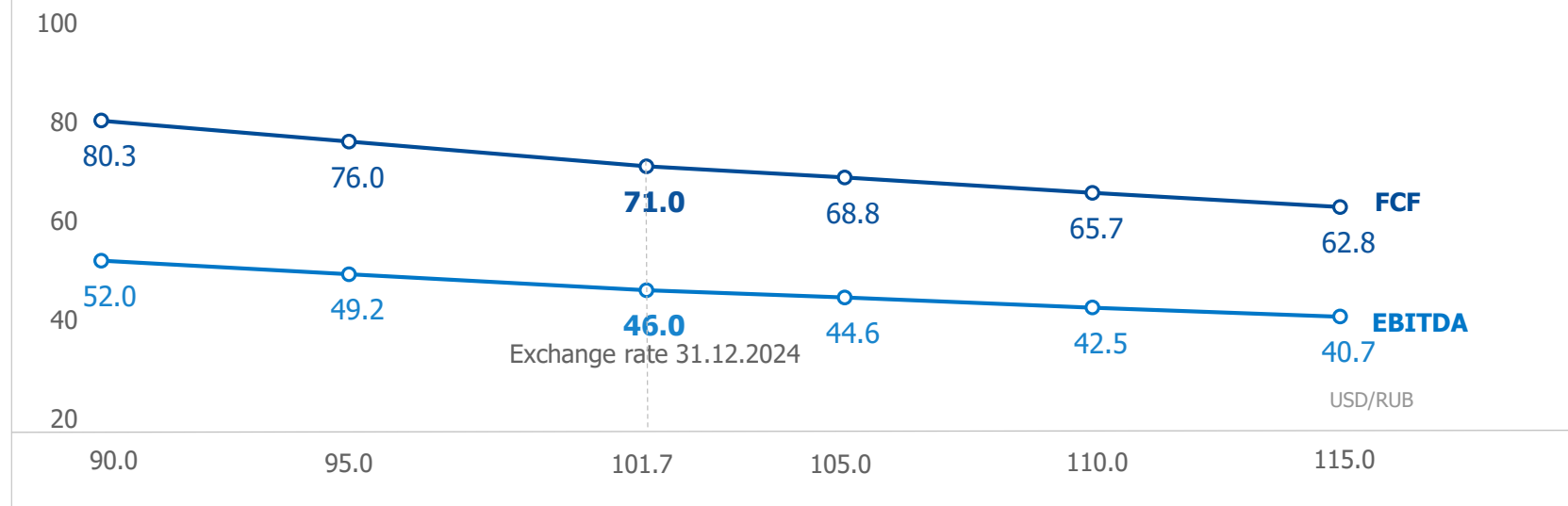
[USD bn]



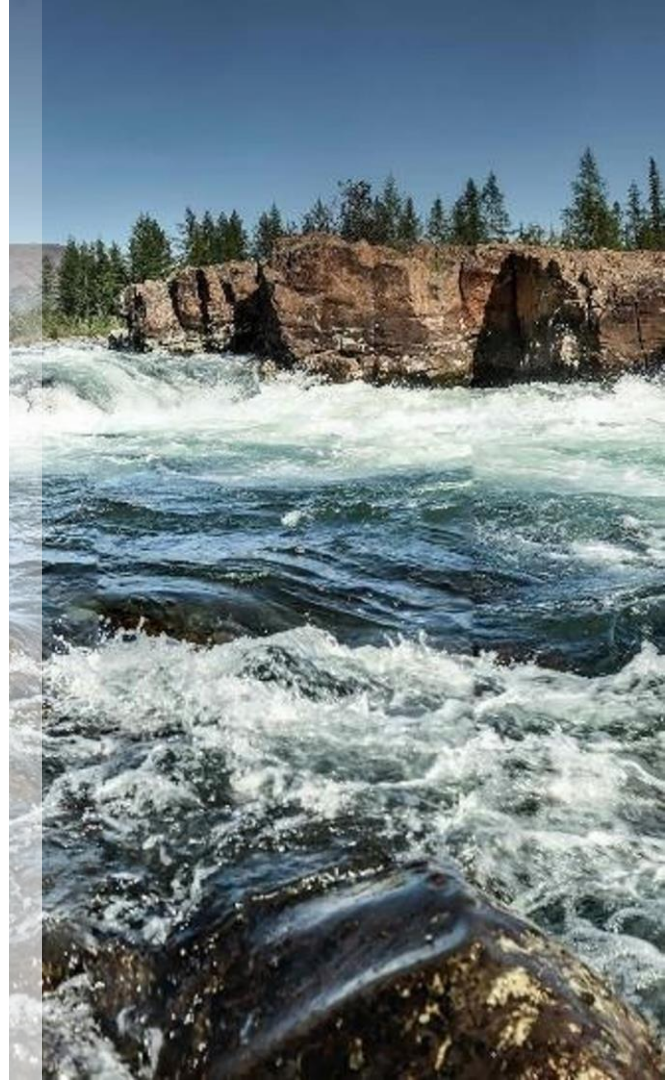
# Financial Results Sensitivity to USD/RUB Exchange Rate

**At USD/RUB rate of 101.68, 1% change in exchange rate translates into EBITDA change of USD 46.0 mln, FCF change of USD 71.0 mln**

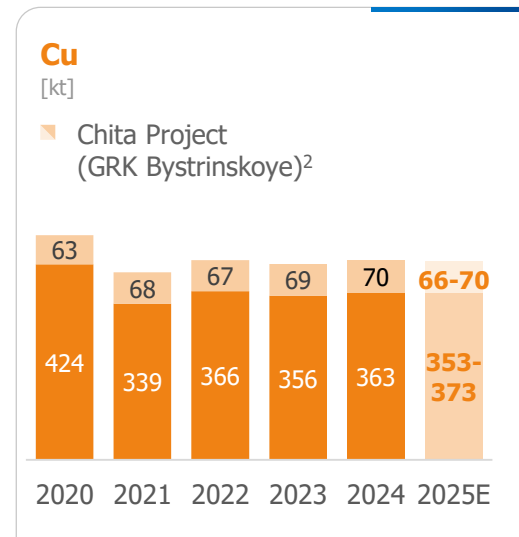
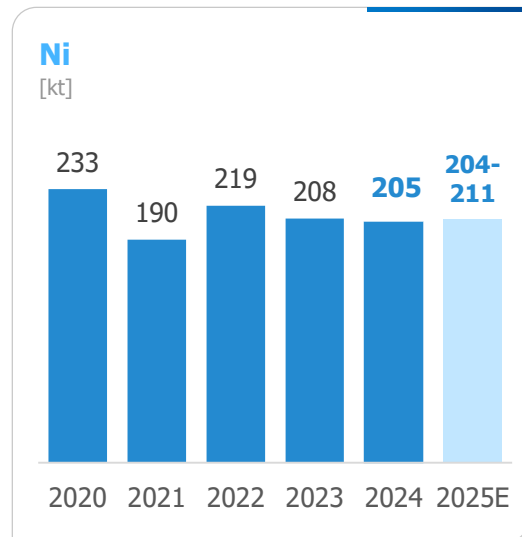
[USD mln]



# Operations and Strategy Update

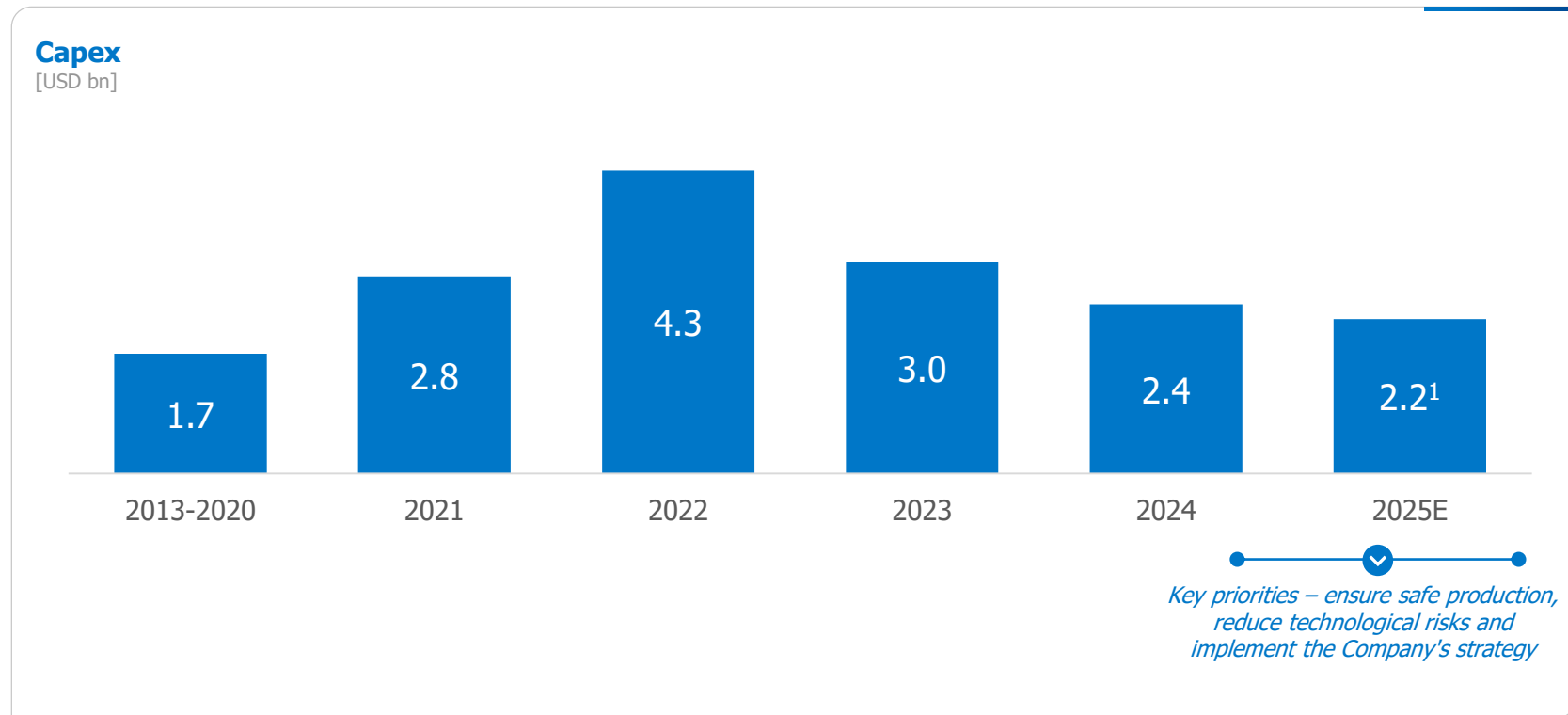


# 2024 Production Results and 2025 Production Guidance



- The output of all key metals exceeded our 2024 production guidance as a result of successfully improved operating efficiency. In 2024, the Company completed reconstruction of the smelting furnace #2 at Nadezhda Metallurgical Plant. The furnace was practically fully re-built resulting in a 25% increase of its smelting capacity
- In 2025, we expect production from the Company's Russian feed to remain on average at 2024 level

# CAPEX



Source: Company data

Note: 1. The total capital investments scheduled for 2025 amount to RUB 215 bn taking in account USD/RUB exchange rate on 10 February 2025. More information <https://nornickel.com/news-and-media/press-releases-and-news/nornickel-s-board-of-directors-has-approved-2025-budget/>





# Operational Efficiency Programme

## Main Focus Areas of the Operational Efficiency Programme

- Cost reduction, including non-production expenses
- Improving product quality
- Management of non-core assets
- Increase of production volumes
- Expansion of the sales market

## Examples of the Initiatives

- Implementation of lean manufacturing tools and methods
- Cost reduction by decreasing reagent consumption without affecting the product quality
- Increasing the metals production volume of premium brands
- Production of additional saleable products due to the involvement of waste slag (mining waste)
- Expansion of the external sales market

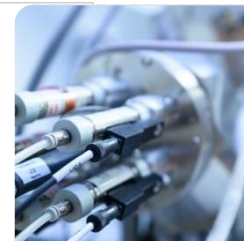
- The Programme is developed for 2024-2026
- The Programme initiatives cover all areas of the Company's production and business activities

# Innovative Applications of Palladium



## Green technology

- Catalysts – to produce green hydrogen
- Tubular membranes - to obtain ultra-pure hydrogen
- Hydrogen-air fuel cell catalyst – extracting energy from hydrogen and converting it into electrical energy
- Photocell for solar panels - to convert solar radiation into electricity



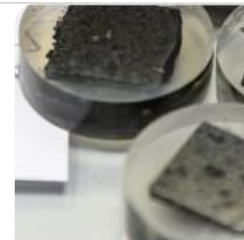
## Hi-tech materials

- OLED display structures
- Coverings in printed circuit boards, contacts and electronic components



## Traditional methods of use

- Fiberglass spinneret
- Electrode for production of chloralkali, for nickel extraction, for copper extraction
- Catalyst for steam reforming of methane, autothermal reforming<sup>1</sup> of methane, for oil hardening



Source: Company data

Note: 1. A process in which methane reacts with a mixture of oxygen and water, which does not require additional methane consumption to heat the reactor

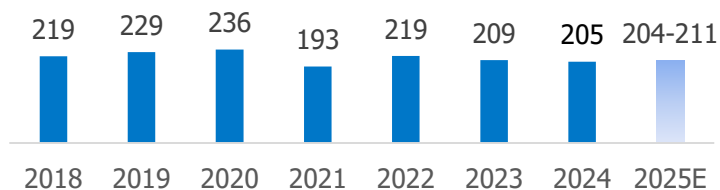
# Appendix



# Production Dynamics

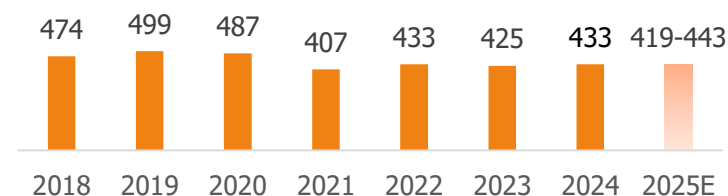
## Ni Production

[kt]



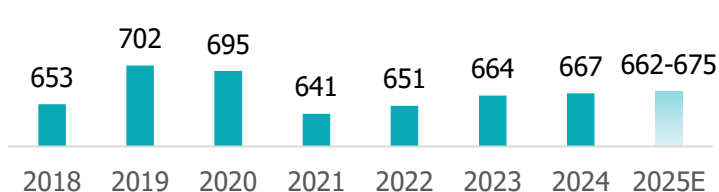
## Cu Production<sup>1</sup>

[kt]



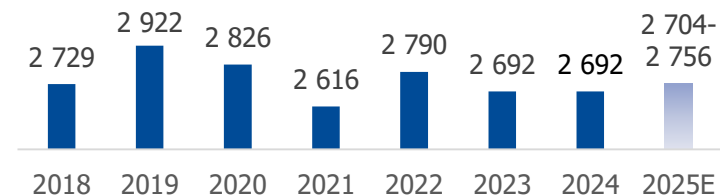
## Pt Production

[koz]



## Pd Production

[koz]



Source: Company data

Note: 1. Including GRK Bystrinskoye. Metals produced from own feedstock (including metals in saleable semi-products)

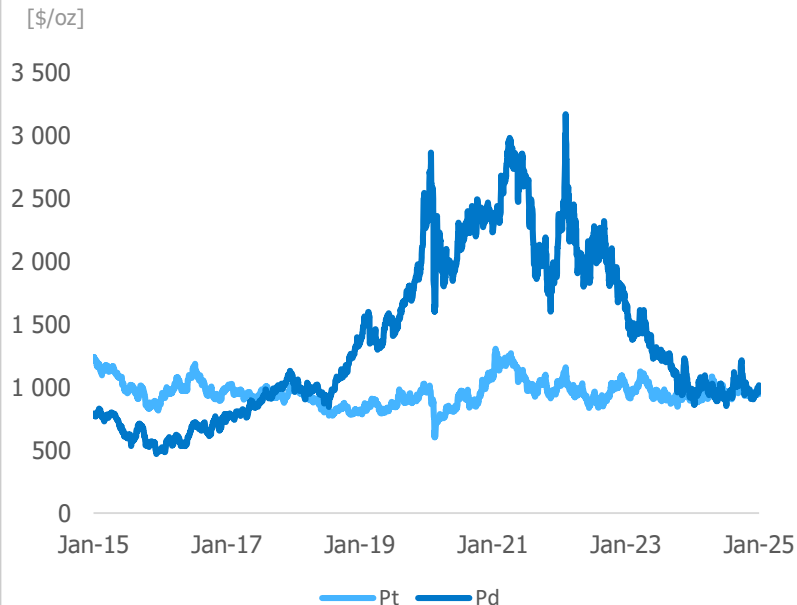
More information <https://nornickel.com/investors/reports-and-results/current-results/>

# Metal Basket Dynamics

## Nickel and Copper Price Dynamics



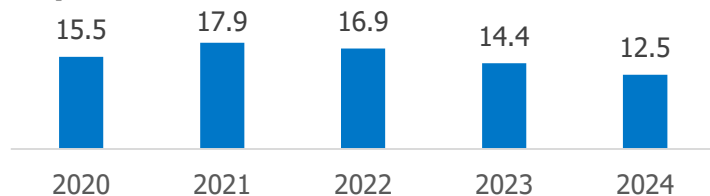
## Palladium and Platinum Price Dynamics



# Financial Performance

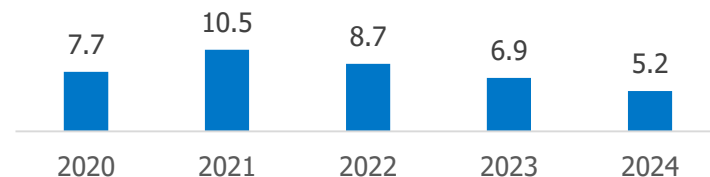
## Revenue Dynamics

[USD bn]



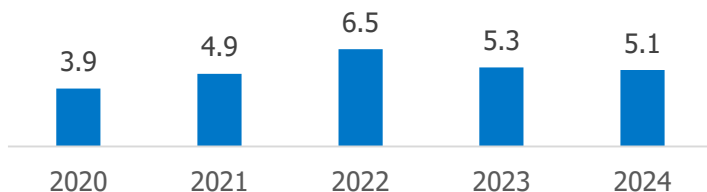
## EBITDA Dynamics

[USD bn]



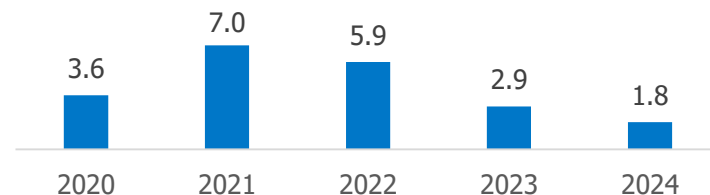
## Cash Operating Costs Dynamics

[USD bn]



## Net Profit Dynamics

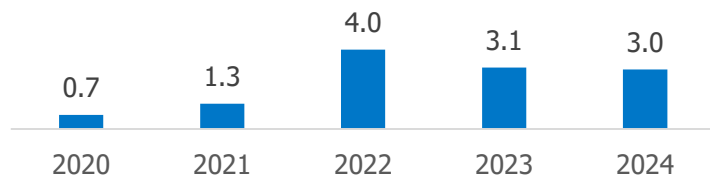
[USD bn]



# Financial Performance

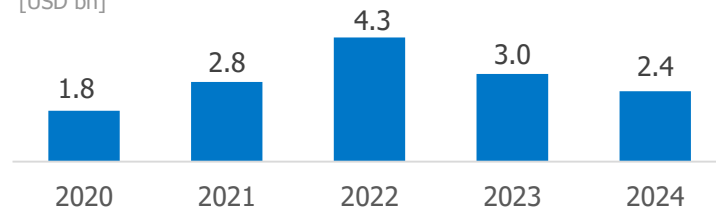
## Net Working Capital Dynamics

[USD bn]



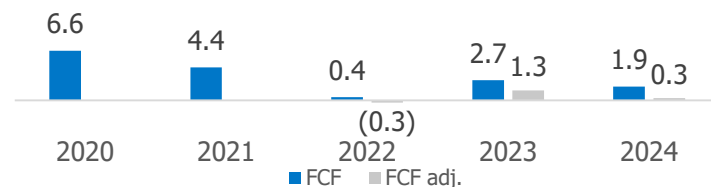
## Capex Dynamics

[USD bn]



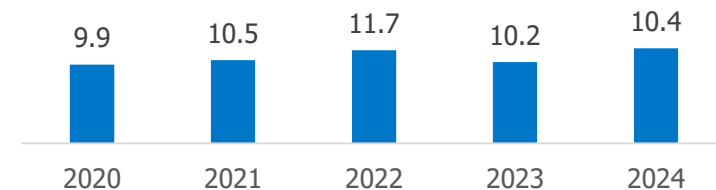
## Free Cash Flow Dynamics<sup>1</sup>

[USD bn]



## Total Debt Dynamics

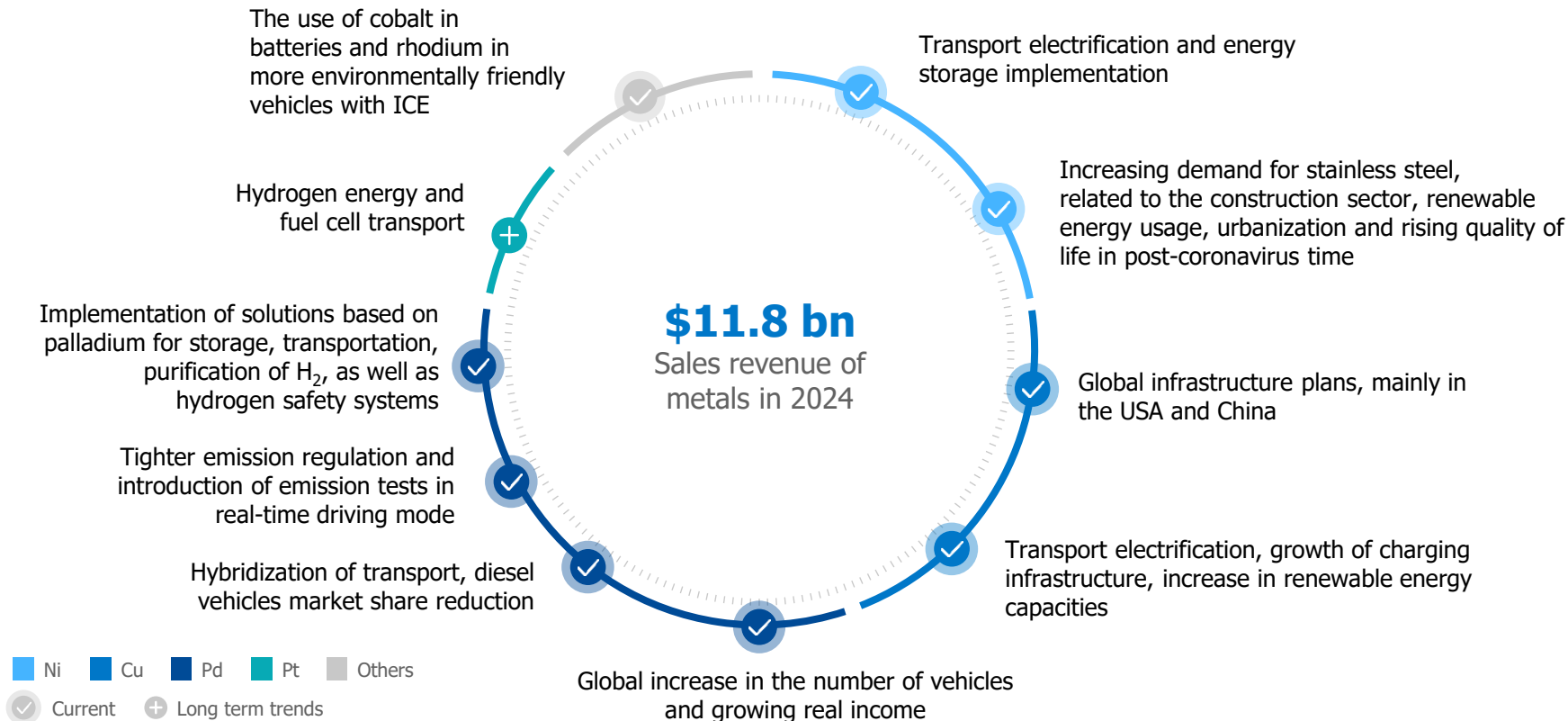
[USD bn]



Source: Company data






Note: 1. FCF= (CFO + CFI), Free Cash Flow adjusted = Free Cash Flow excluding interest paid and payments of lease liabilities and dividends paid to non-controlling interests

# Best in-class Commodity Basket





# Key Factors Affecting The Change In Demand For The Company's Main Products

	Ni	Pd/Pt	Cu
 Growth of market share of BEVs	↗	↘	↗
 Growth of hybrids	↗	↗	↗
 Fuel cells, hydrogen economy	>	↗	>
 Growth of renewables/ low carbon fuel in power generation	↗	↗	↗
 Storage and grid expansion to support growth of xEVs	↗	>	↗
<b>Net Impact</b>	↗	>	↗



Thank you  
for your  
attention