

8 OCTOBER 2016



# 2016 VFB - Nyrstar



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# Nyrstar is a global business with a market leading position in zinc

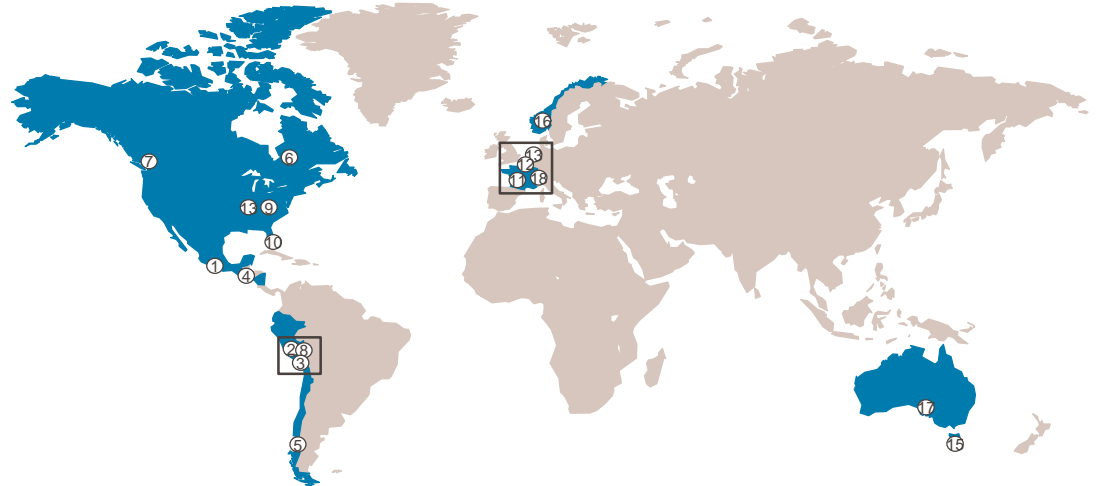
LTM<sup>1</sup> Revenue  
€3.1bn

LTM<sup>1</sup> EBITDA  
€172m

c.5,000 employees

LTM<sup>1</sup> production  
173kt zinc in conc.  
1.1mt zinc metal

9 mines  
6 smelters  
1 fumer

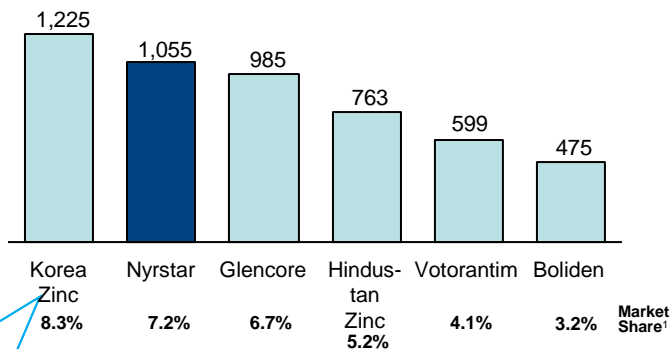


Formal sale process  
underway

- |   |  |                           |                         |
|---|--|---------------------------|-------------------------|
| ① Campo Morado <sup>3</sup> , Mexico              | ⑥ Langlois, Canada                                   | ⑪ Auby, France            | ⑯ Hoyanger, Norway      |
| ② Contonga, Peru                                  | ⑦ Myra Falls <sup>3</sup> , Canada                   | ⑫ Balen/Overpelt, Belgium | ⑰ Port Pirie, Australia |
| ③ Coricancha <sup>3</sup> , Peru (Non-core asset) | ⑧ Pucarrajo <sup>3</sup> , Peru (Non-core asset)     | ⑬ Budel, The Netherlands  | ⑱ Zurich, Switzerland   |
| ④ El Mochito, Honduras                            | ⑨ Mid-Tennessee <sup>3</sup> and East-Tennessee, USA | ⑭ Clarksville, USA        |                         |
| ⑤ El Toqui, Chile                                 | ⑩ Fort Lauderdale, Miami, USA                        | ⑮ Hobart, Australia       |                         |

## Second largest zinc metal producer globally

2016 forecast zinc smelter production<sup>2</sup> (kt Zn)

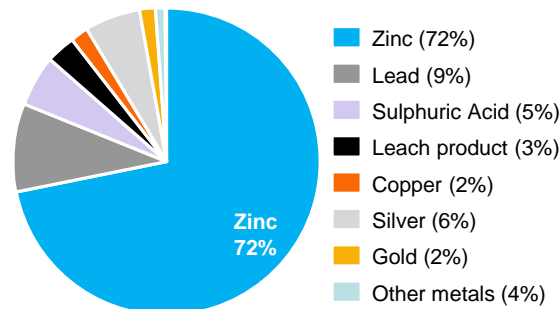


<sup>1</sup> LTM – last 12 months from July 2015 to June 2016

<sup>2</sup> Wood Mackenzie Global zinc long-term outlook Q2-16

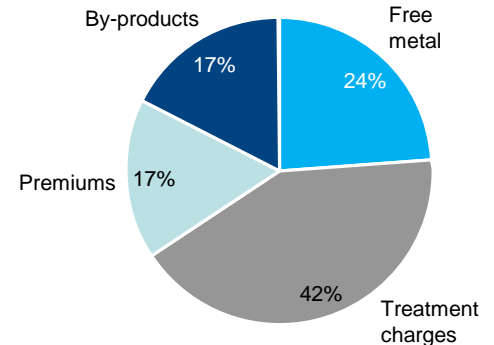
## Diverse source of gross profit across commodities

H1 2016 Smelter gross profit by metal<sup>4</sup>



## Elements of gross profit

H1 2016 Smelter gross profit elements<sup>4</sup>



<sup>3</sup> Production at Campo Morado indefinitely suspended; Pucarrajo, Coricancha and Middle Tennessee Mines on care and maintenance; Myra Falls temporarily suspended

<sup>4</sup> Does not include Other Gross Profit which consists of realisation expenses and costs of alloying materials: €(46)m in H1-16

# Three key drivers of Nyrstar going forward

## Nyrstar Investment Drivers

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graph LR; A[Nyrstar Investment Drivers] --> B[Zinc Fundamentals]; A --> C[Business performance turnaround]; A --> D[Transformation];
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### Zinc Fundamentals

- Strongest supply and demand fundamentals amongst base metals going forward
- Zinc price increasing – strengthened by more than 60% over the first 9 months of 2016
- Nyrstar is one of the only pure zinc equity exposures

### Business performance turnaround

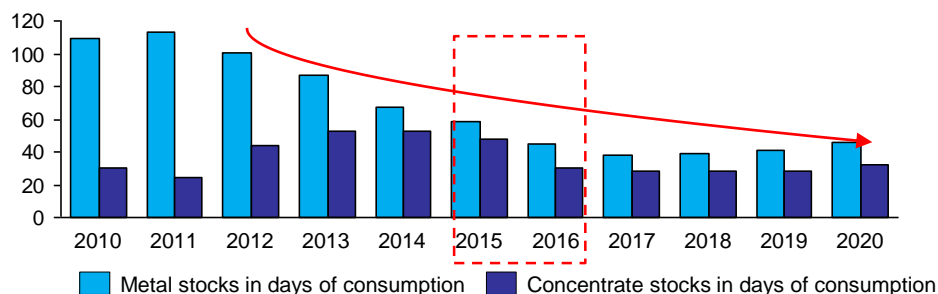
- New senior management team in place
- Portfolio restructuring with an exit from Mining
- Corporate and segment operational cost improvements continuing

### Transformation

- Port Pirie Redevelopment fully funded with large earnings uplift post ramp-up in 2017
- Metals Processing Growth Pipeline projects to capture non-realised value in feed materials

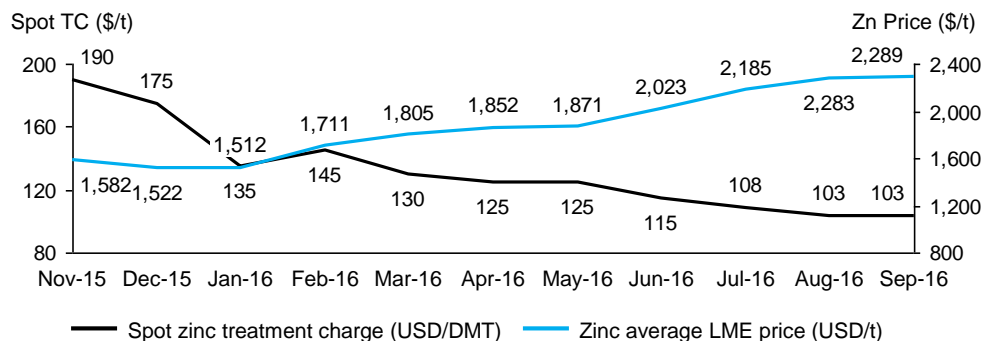
# Macro indicators are supportive for zinc prices

## Metal and concentrate stocks in days of consumption<sup>1</sup>



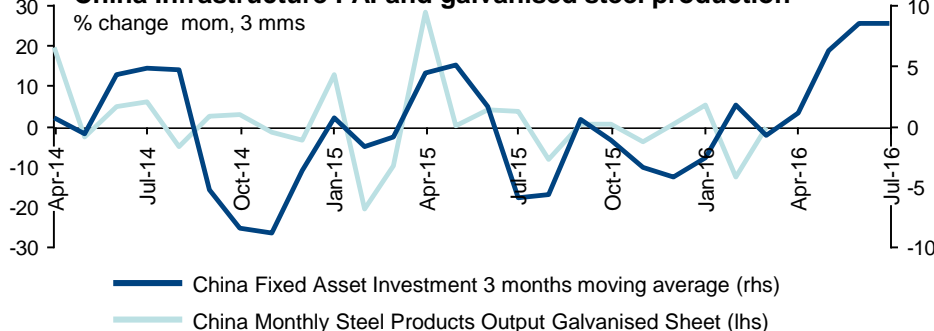
- Stocks of zinc concentrate and zinc metal are continuing to reduce

## Spot treatment charge and LME zinc price<sup>2</sup>



- Benchmark treatment charges for 2016 settled 17% lower YoY and **spot treatment charges have continued to decline year to date** pointing to a supply constraint of concentrate

## China Infrastructure FAI and galvanised steel production<sup>3</sup>

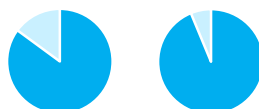


- Chinese infrastructure demand remains strong**
- Global car sales are increasing, with June 2016 being 5.6% higher YoY, led by Chinese car sales that have expanded by 16%
- Zinc galvanised steel sheet production improving, providing demand support for zinc

# Turnaround of business is continued as planned

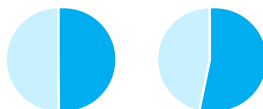
Mar-15      Jun-16

## Balance Sheet Strengthening Measures



- ✓ Completed financing initiatives: zinc metal prepayment (US\$175m); Rights Offering of €274m; silver prepay (US\$75m); working capital facility with Trafigura (US\$150m); repayment retail bond (€415m) and issue convertible bond (€115m)
- ✓ Nyrstar will continue to assess opportunistic financing options to further extend the maturity profile and complete the Balance Sheet Strengthening measures announced in November 2015

## Mining Asset Divestment



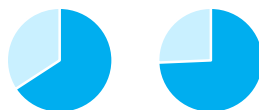
- ✓ Formal launch of sale process in January 2016
- ✓ El Toqui sale announced in June 2016
- ✓ El Mochito sale announced in September 2016
- ✓ Advanced negotiations under way for majority of the assets, with further sales expected to be announced in Q4 2016

## Cash and Cost Savings



- ✓ Run rate saving of €120m in H1 2016 of annualised cash flow savings in Mining segment exceeding target of €60m
- ✓ Targeted €30m annualised MP and corporate cost savings achieved
- ✓ Further sustainable cost savings expected to be achieved with the removal of the mining corporate overhead on the disposal of the majority of the mines

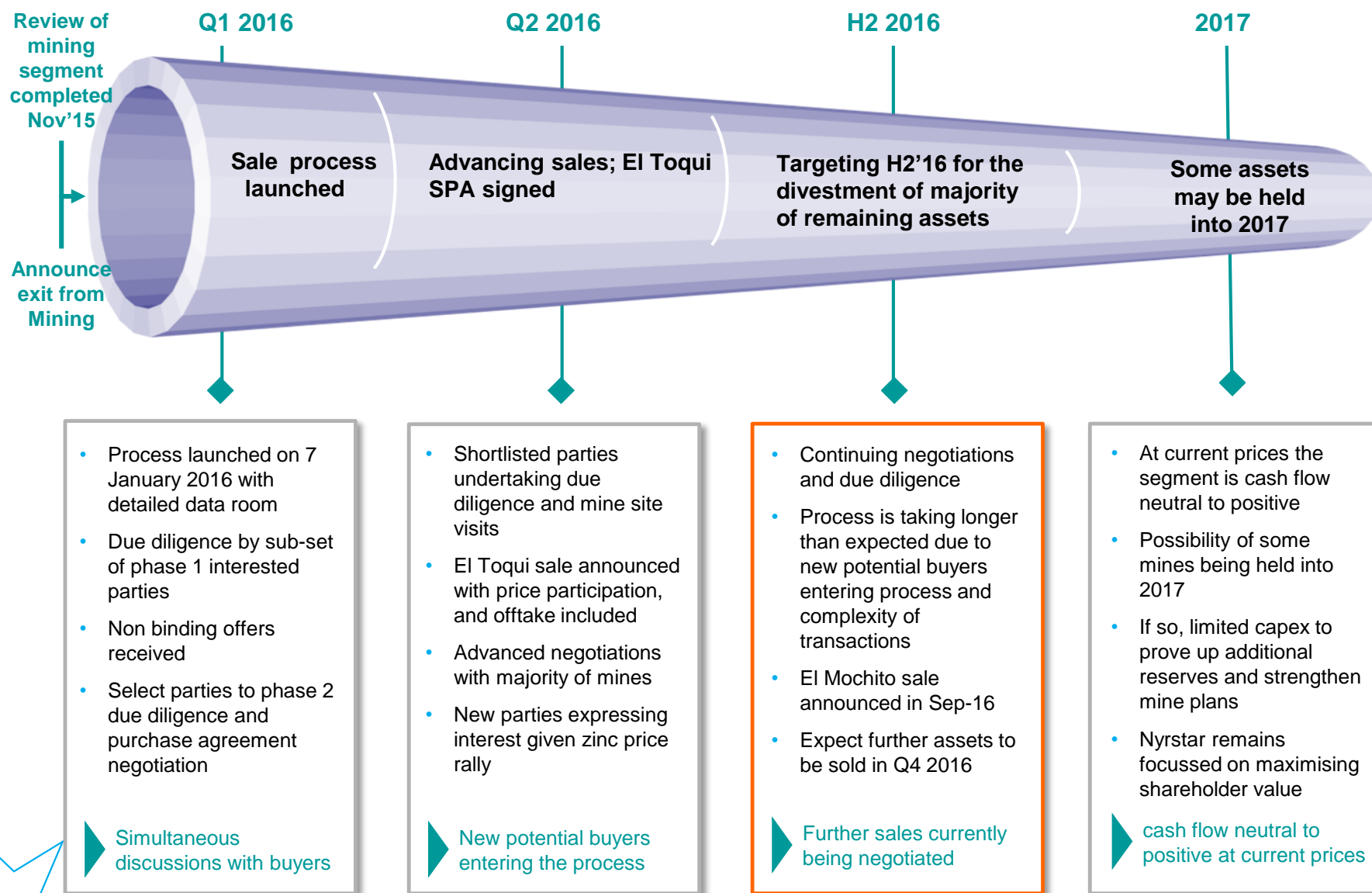
## Port Pirie Redevelopment



- ✓ Early commissioning activities commenced as planned in Q2 2016
- ✓ Further commissioning and ramp-up throughout 2016 and 2017 with full run-rate still targeted for late 2017
- ✓ The project remains on budget with remaining funding coming from Australian government backed perpetual notes



# Committed to progressing mine divestment strategy



# Port Pirie Redevelopment remains on schedule and budget with early commissioning commenced end H1 2016

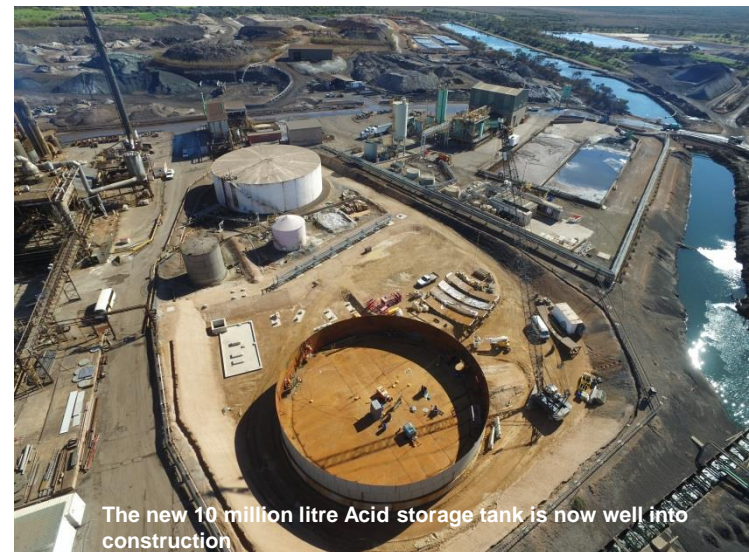
- ✓ Overall capital cost to complete the project remains targeted at AUD 563m and is fully funded
- ✓ As at 30 June 2016, capex incurred was AUD 468m, with AUD 533m committed
- ✓ Government backed perpetual notes to fund the remaining cost to complete the project with AUD 115m drawn by the end of H1 2016
- ✓ The project commenced early stage cold commissioning by the end of H1 2016 and will continue with commissioning and ramp-up activities through 2016 and 2017
- ✓ The Port Pirie Redevelopment is expected to achieve its full operational run-rate during H2 2017



New infrastructure under construction: the Coal Grinding building and Cooling Water pump station



View over the main project area with TSL furnace, Acid Plant and the Slag casting equipment under construction

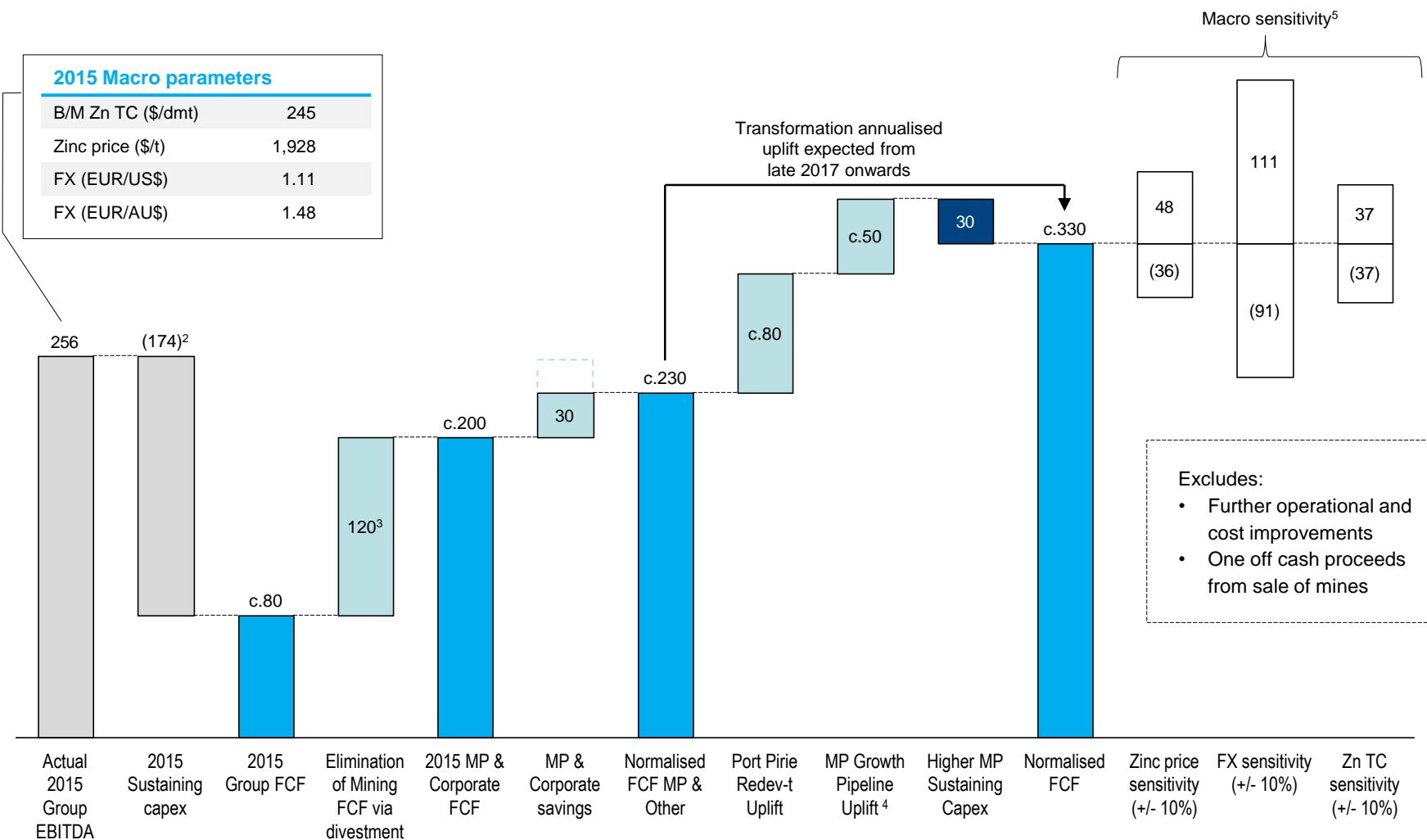


The new 10 million litre Acid storage tank is now well into construction



# Building the foundations for sustainable future cash generation

## Group illustrative FY 2015 to medium-term free cash flow bridge<sup>1</sup> (EURm)



<sup>1</sup> FCF = Free cash flow = EBITDA less sustaining capex; FCF is pre financing costs, interest, tax and working capital movement

<sup>2</sup> Including sustaining capex for Metals Processing and sustaining, exploration and development capex for Mining

<sup>3</sup> If mine divestment is not completed, the cash burn run rate is expected to be at most ~ €60M

<sup>4</sup> Assumes c. EUR 35-45 million MP Growth Pipeline capex in 2016

<sup>5</sup> Macro sensitivity is based on standalone Metals Processing segment sensitivity only

## Why Nyrstar and why now?

- 1 Leading market position allows Nyrstar to leverage the forecasted strong zinc market fundamentals**
- 2 Strong Metals Processing Business performance to continue with added benefit from Port Pirie Redevelopment and MP Growth Pipeline investments**
- 3 Clearly defined restructuring plan focused on decisively addressing cash burn at Mining Segment while enhancing overall business profitability**
- 4 A new experienced and responsive management team focused on cash flow generation and investor returns**

# Questions

