

Regulated Information

First Half 2019 Results

29 November 2019 at 07:00 CET

Nyrstar NV (“Nyrstar” or the “Company”) advises that due to recent technical issues, the publication of its consolidated accounts for H1 2019 are not available for publication today. The Company is working to complete the consolidated accounts as soon as possible and expects to have them published on the website of Nyrstar (www.nyrstar.be) by no later than Friday 13 December 2019. It is important to note that at 30 June 2019, the assets and liabilities of the Company will be primarily classified as assets and liabilities held for sale and, in accordance with IFRS 5 (“non-current assets held for sale and discontinued operations”), the income statement will provide a detailed presentation of the results from the continued operations and separately the results from the discontinued operations. The information presented on page 2 of this press release provides the aggregated result for the Company (i.e. both continued and discontinued operations).

SUMMARY:

- Group underlying EBITDA¹ of EUR 3 million for H1 2019, a decrease of EUR 117 million on H1 2018, primarily due to reduced availability of raw materials caused by liquidity constraints as the Company completed its balance sheet restructuring and consequently reduced metal and by-product production, lower commodity prices, a sustained unplanned stoppage of the blast furnace and TSL furnace at Port Pirie in Q2 2019 and the negative impact of metal at risk which was not hedged between March 2019 and June 2019.
 - Metals Processing underlying EBITDA of EUR 10 million, down EUR 108 million year-on-year
 - Mining underlying EBITDA of EUR 17 million, down EUR 11 million year-on-year
- Loss for H1 2019 was EUR 207 million, comprising of EUR 38 million from continuing operations and EUR 169 million from discontinued operations
- Net debt inclusive of zinc metal prepay and perpetual securities of EUR 1,936 million at the end of June 2019, an increase of EUR 449 million on 30 June 2018, driven predominantly by working capital outflow since the Q3 2018 results announcement and reduced earnings in H1 2019. All of this debt has been assumed by the restructured operating group of Nyrstar and will be part of the liabilities classified as held for sale at 30 June 2019
- Port Pirie Redevelopment ramp-up impacted by a sustained production outage between May and July 2019 due to unplanned maintenance outages at the TSL furnace, blast furnace and continuous dressing furnace
- Myra Falls mine re-commenced operations in April 2019

¹ 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.

KEY FIGURES²

EUR million (unless otherwise indicated)	H1 2018	H1 2019	% Change
Income Statement Summary			
Revenue	1,930	1,587	(18%)
Gross Profit	600	511	(15%)
Direct operating costs	(485)	(504)	4%
Non-operating and other	6	(4)	(176%)
Underlying EBITDA			
Metals Processing Underlying EBITDA	118	10	(91%)
Mining Underlying EBITDA	28	17	(41%)
Other and Eliminations Underlying EBITDA	(26)	(24)	(8%)
Group Underlying EBITDA	120	3	(98%)
Underlying EBITDA margin	6%	0%	(97%)
Embedded derivatives	(3)	(1)	(71%)
Restructuring expense	(13)	(37)	188%
M&A related transaction expense	(2)	-	-
Other income	2	-	-
Profit / (Loss) on disposal of investments	-	-	-
Underlying adjustments	(16)	(38)	140%
Depreciation, depletion, amortisation	(75)	(66)	(12%)
Impairment gain / (loss)	-	-	-
Result from operating activities	30	(101)	(437%)
Net finance expense (excluding fx)	(71)	(106)	49%
Net foreign exchange (loss)/gain	(5)	6	(227%)
Income tax (expense) / benefit	1	(7)	(717%)
Profit / (Loss) from continuing operations	(2)	(38)	-
Profit / (Loss) from discontinued operations	(48)	(169)	252%
Profit / (Loss) for the period	(49)	(207)	322%
Basic Loss per share (EUR)	(0.45)	(1.89)	320%
Capex			
Metals Processing	70	43	(39%)
Mining	63	28	(56%)
Other	1	1	(15%)
Group Capex	134	71	(47%)

² Small differences in tables are due to rounding to zero decimal places

	30 Jun 2018	30 Jun 2019	
Loans and borrowings, end of the period	1,276	1,954	53%
Less cash and cash equivalents, end of period	(78)	(148)	89%
Net Debt³	1,198	1,806	51%
Zinc Prepay	104	130	25%
Perpetual Securities ³	186	0	-
Net Debt Inclusive of Zinc Prepay and Perpetual Securities	1,487	1,936	30%

EUR million (unless otherwise indicated)	H1	H1	%
	2018	2019	Change
Metals Processing Production			
Zinc metal ('000 tonnes)	528	480	(9%)
Lead metal ('000 tonnes)	69	51	(51%)
Mining Production			
Zinc in concentrate ('000 tonnes)	70	61	(13%)
Market⁴			
Zinc price (USD/t)	3,268	2,732	(16%)
Lead price (USD/t)	2,456	1,962	(20%)
Silver price (USD/t.oz)	16.65	15.23	(12%)
Gold price (USD/t.oz)	1,319	1,307	(1%)
EUR/USD average exchange rate	1.21	1.13	(7%)
EUR/AUD average exchange rate	1.57	1.60	2%

GROUP FINANCIAL OVERVIEW

Revenue for H1 2019 of EUR 1,587 million was down 18% on H1 2018, driven by lower zinc, lead, silver and gold prices which were down 16%, 20%, 12% and 1% respectively and decreased production volumes in zinc and lead smelting and zinc mining.

Group gross profit for H1 2019 of EUR 511 million was down 15% on H1 2018, driven by lower production volumes in both Metals Processing and Mining and lower zinc, lead, silver and gold prices, partially offset by improving zinc treatment charge terms.

Direct operating costs for H1 2019 of EUR 504 million increased 4% on H1 2018, due to a number of unplanned maintenance outages at the smelters and higher mining costs as a result of the continued ramp-up of operations at Myra Falls.

Group underlying EBITDA of EUR 3 million in H1 2019, a decrease of EUR 117 million on H1 2018, due to reduced availability of raw materials caused by liquidity constraints as the Company completed its balance sheet restructuring and consequently reduced metal and by-product production, lower commodity prices, a sustained unplanned stoppage of the blast furnace and TSL furnace at Port Pirie in Q2 2019 and the negative impact of metal at risk which was not hedged between March 2019 and June 2019.

³ The zinc prepay (Politus) have been accounted for entirely as financial liabilities at 30 June 2019 whilst at 30 June 2018 the zinc prepay was accounted for as deferred income. The Perpetual Securities have been accounted for entirely as loans and borrowings at 30 June 2019 whilst at 30 June 2018 the Perpetual Securities were accounted for as equity and not included in loans and borrowings.

⁴ Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver/Gold price is average of LBMA daily fixing / daily PM fixing, respectively

Depreciation, depletion and amortisation expense for H1 2019 of EUR 66 million was down 12% year-on year.

Net finance expense excluding foreign exchange for H1 2019 of EUR 105 million was up EUR 34 million on H1 2018 primarily due to net debt inclusive of zinc prepay and perpetual securities increasing by 30% compared to end June 2018.

Income tax expense for H1 2019 of EUR 7 million (H1 2018: income tax benefit of EUR 1 million).

Loss in H1 2019 of EUR 207 million, compared to a net loss of EUR 49 million in H1 2018, mainly as a result of higher operating losses, restructuring expenses and consulting expenses compared to the prior period.

Capital expenditure was EUR 71 million in H1 2019, representing a decrease of 47% year-on-year driven by a substantial reduction in capital expenditure across the group as the Company tightly managed its liquidity during the restructuring process that was completed at the end of July 2019.

Net debt of EUR 1,936 million at the end of H1 2019, inclusive of the zinc metal prepay and perpetual securities, was 30% higher year-on-year (EUR 1,487 million at the end of June 2018). Cash balance at the end of H1 2019 was EUR 148 million compared to EUR 78 million at the end of June 2018 with immediately available liquidity at the end of H1 2019 of EUR 210 million. All of this debt has been assumed by the restructured operating group of Nyrstar and will be part of the liabilities classified as held for sale at 30 June 2019.

SAFETY, HEALTH AND ENVIRONMENT

The frequency rate of cases with time lost or under restricted duties (DART) was 6.0, this is 45% higher than in the same period of last year. The frequency rate of cases requiring at least a medical treatment (RIR) increased by 33% compared to H1 2018. The severity of the injuries in H1 2019, measured as the number of days lost or under restrictions due to Lost Time or Restricted Work Injuries was reduced by 105% compared to the same period of last year.

At the end of H1 2019, the Auby smelter in France and the Myra Falls Mine in Canada had achieved more than 500,000 and 800,000 working hours without restricted work or lost time injuries, respectively.

No environmental events with material business consequences or long-term environmental impacts occurred during H1 2019.

OPERATIONS REVIEW: METALS PROCESSING

EUR million (unless otherwise indicated)	H1 2018	H1 2019	% Change
Treatment charges	123	146	19%
Free metal contribution	193	151	(22%)
Premiums	76	68	(11%)
By-Products	106	78	(27%)
Other	(47)	(80)	70%
Gross Profit	451	362	(20%)
Employee expenses	(109)	(107)	(3%)
Energy expenses	(117)	(114)	(3%)
Other expenses /income	(120)	(135)	(13%)
Direct Operating Costs	(346)	(356)	3%
Non-operating and other	14	4	(71%)
Underlying EBITDA	118	10	(91%)
Metal Processing Capex	70	43	(39%)

Metals Processing delivered an underlying EBITDA result of EUR 10 million in H1 2019, a decrease of EUR 108 million over H1 2018 due to reduced zinc, lead and by-product production caused by reduced availability of raw materials with the liquidity constraints imposed as the Company completed its balance sheet restructuring.

Gross profit at EUR 362 million in H1 2019 was down 20% compared to H1 2018 with lower zinc, lead, silver and gold commodity prices and lower production partially offset by an increase in the annual zinc benchmark treatment charges (base TC of USD 147 per dmt of concentrate in 2018 versus USD 245 in 2019).

Direct operating costs year-over-year at EUR 356 million increased marginally, predominantly due to increased contractor maintenance spend with various unplanned outages experienced at the smelting sites.

Sustaining and growth capital spend in H1 2019 decreased substantially by 39% on H1 2018 due to the liquidity constraints imposed on the Company during the completion of the capital structure review process and balance sheet restructuring which was completed at the end of July 2019.

EUR DOC/tonne	H1 2018	H1 2019	% Change
Auby	477	548	15%
Balen/Overpelt	483	475	(2%)
Budel	411	443	8%
Clarksville	536	647	21%
Hobart	453	450	(1%)
Port Pirie ⁵	1,117	1,488	33%
DOC/tonne⁶	580	671	16%

Direct operating costs per tonne increased by 16% in H1 2019 compared to H1 2018 due to lower production volumes and a number of unplanned production outages across the smelting sites.

⁵ Per tonne of lead metal and zinc contained in fume

⁶ DOC/tonne calculated based on segmental direct operating costs and total production of Zinc and Lead Market Metal

	H1 2018	H1 2019	% Change
Zinc metal ('000 tonnes)			
Auby	78	67	(14%)
Balen/Overpelt	137	132	(4%)
Budel	133	113	(15%)
Clarksville	52	48	(8%)
Hobart	129	121	(6%)
Total	528	480	(9%)
Lead metal ('000 tonnes)			
Port Pirie	69	51	(27%)
Other products			
Copper cathode ('000 tonnes)	1.6	2.0	23%
Silver (million troy ounces)	4.9	4.5	(8%)
Gold ('000 troy ounces)	25.7	16.4	(36%)
Indium metal (tonnes)	21.4	19.3	(9%)
Sulphuric acid ('000 tonnes)	653	680	4%

Metals Processing produced approximately 480,000 tonnes of zinc metal in H1 2019, representing a 9% decrease on H1 2018. The decrease in zinc metal production year-over-year was caused by reduced availability of raw materials with the liquidity constraints imposed as the Company completed its balance sheet restructuring.

Lead market metal production at Port Pirie of 51kt was 27% lower compared to H1 2018 due to the failure of the main gas duct on the TSL furnace. This failure of the TSL furnace led to the subsequent shutdown of the blast furnace from 26 April 2019 until the end of July 2019 due to a lack of feed as a result of the extended outage in the TSL furnace.

Sulphuric acid production of 680,000 tonnes in H1 2019 was marginally higher compared to H1 2018.

OPERATIONS REVIEW: MINING

EUR million (unless otherwise indicated)	H1 2018	H1 2019	% Change
Treatment charges	(14)	(23)	65%
Payable metal contribution	160	163	2%
By-Products	9	7	(18%)
Other	(7)	(3)	(53%)
Gross Profit	148	145	(2%)
Employee expenses	(42)	(55)	30%
Energy expenses	(11)	(12)	5%
Other expenses	(57)	(54)	(5%)
Direct Operating Costs	(111)	(121)	31%
Non-operating and other	(9)	(7)	(22%)
Underlying EBITDA	28	17	(41%)
Mining Capex	63	28	(56%)

Mining Underlying EBITDA of EUR 17 million in H1 2019 was EUR 11 million lower than in H1 2018 due to the lower zinc price, continued ramp-up of the Myra Falls mine and a higher benchmark zinc treatment charge set for 2019.

Mining capital expenditure in H1 2019 was EUR 28 million, down EUR 35 million year-on-year, due primarily to the liquidity constraints imposed on the Company during the restructuring process.

DOC USD/tonne ore milled	H1 2018	H1 2019	% Change
Langlois	139	118	(15%)
East Tennessee	38	38	(2%)
Middle Tennessee	64	81	26%
Myra Falls	-	638	-
Average DOC/tonne ore milled	63	71	12%

'000 tonnes unless otherwise indicated	H1 2018	H1 2019	% Change
Total ore milled	2,075	1,886	(9%)
Zinc in Concentrate			
Langlois	12	13	9%
East Tennessee	36	32	(10%)
Middle Tennessee	22	15	(31%)
Myra Falls	-	1	
Total	70	61	(13%)
Other metals			
Copper in concentrate	0.8	0.8	(3%)
Silver ('000 troy oz)	214	216	1%
Gold ('000 troy oz)	0.7	1	40%

Nyrstar's Mining operations produced approximately 61kt of zinc in concentrate in H1 2019, a decrease of 13% compared to H1 2018.

FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements that reflect Nyrstar's intentions, beliefs or current expectations concerning, among other things: Nyrstar's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which Nyrstar operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause Nyrstar's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Nyrstar cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which Nyrstar operates may differ materially from those made in or suggested by the forward-looking statements contained in this news release. In addition, even if Nyrstar's results of operations, financial condition, liquidity and growth and the development of the industry in which Nyrstar operates are consistent with the forward-looking statements contained in this news release, those results or developments may not be indicative of results or developments in future periods. Nyrstar and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this report or any change in Nyrstar's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

About Nyrstar

The Company is incorporated in Belgium and, following completion of the recapitalisation/restructuring has a 2% shareholding in the Nyrstar group. The Company is listed on Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website: www.nyrstar.be

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MINING PRODUCTION ANNEX

PERIOD	Production KPI by Site	Ore milled ('000 tonnes)	Mill head grade					Recovery					Concentrate			Metal in concentrate					
			Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (%)	Silver (%)	Zinc (kt)	Lead (kt)	Copper (kt)	Zinc (kt)	Lead (kt)	Copper (kt)	Gold (k'toz)	Silver (m'toz)	
CONTINUING OPERATIONS																					
2018	H1	Langlois	209	5.86%	-	0.49%	0.15	37.32	94.2%	-	77.8%	75.0%	85.1%	23	-	3.6	11.6	-	0.8	0.7	214
		East Tennessee	1,132	3.38%	-	-	-	-	93.9%	-	-	-	-	58	-	-	35.9	-	-	-	-
		Middle Tennessee	734	3.19%	-	-	-	-	95.1%	-	-	-	-	34	-	-	22.3	-	-	-	-
		Myra Falls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		MiningTotal	2,075	3.57%	-	0.49%	0.15	37.32	94.4%	-	77.8%	75.0%	85.1%	115	-	3.6	69.8	-	0.8	0.7	214
2019	H1	Langlois	205	6.50%	-	0.48%	0.14	37.24	94.7%	-	78.4%	74.1%	88.0%	24	-	3.2	12.6	-	0.8	0.7	216
		East Tennessee	1,064	3.20%	-	-	-	-	94.6%	-	-	-	-	52	-	-	32.2	-	-	-	-
		Middle Tennessee	582	2.83%	-	-	-	-	93.7%	-	-	-	-	24	-	-	15.5	-	-	-	-
		Myra Falls	36	2.91%	0.38%	0.31%	0.67	21.53	64.9%	2.9%	53.6%	43.9%	69.1%	1.3	0.12	0.6	0.7	0.00	0.1	0.3	17
		MiningTotal	1,886	3.44%	0.38%	0.45%	0.22	34.90	93.8%	2.9%	74.7%	69.6%	85.2%	115	-	3.7	61.0	-	0.8	1.0	233
% Change		Langlois	(2%)	11%	-	(2%)	(2%)	(0%)	0%	-	1%	(1%)	3%	6%	-	(11%)	9%	-	(3%)	(6%)	1%
		East Tennessee	(6%)	(5%)	-	-	-	-	1%	-	-	-	-	(11%)	-	-	(10%)	-	-	-	-
		Middle Tennessee	(21%)	(11%)	-	-	-	-	(1%)	-	-	-	-	(30%)	-	-	(31%)	-	-	-	-
		Myra Falls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		MiningTotal	(9%)	(3%)	-	(7%)	51%	(6%)	(0.61%)	-	(4%)	(7%)	0%	(12%)	-	5%	(13%)	-	4%	40%	9%