



**NORNICKEL**

**Supporting Materials to  
the Annual General Shareholder's Meeting.  
2019 Financial Results Overview.**

# 2019 RAS Financial Statements of PJSC "MMC "Norilsk Nickel"

RUB bn

Financial Results	2019	2018	Change for the period	
Revenue	878	609	269	44%
Cost of sales	(292)	(237)	(55)	23%
Selling and administrative expenses	(49)	(44)	(5)	11%
<b>Operating profit</b>	<b>537</b>	<b>328</b>	<b>209</b>	<b>64%</b>
Forex	48	(66)	116	(173)%
Other income/(expenses) net	40	(50)	88	(180)%
<b>Profit before tax</b>	<b>625</b>	<b>212</b>	<b>413</b>	<b>195%</b>
Income tax	(110)	(47)	(63)	134%
<b>Net profit</b>	<b>515</b>	<b>165</b>	<b>350</b>	<b>212%</b>
Dividends	361	219	142	65%

## Principles of financial statements preparation under RAS

- The financial statements include the results of PJSC "MMC "Norilsk Nickel", without subsidiaries of the Group
- Intercompany transactions and balances are not eliminated
- Financial Statements consist of statements of financial position, income statement, statement of changes in equity, statement of cash flows and notes to the financial statements.

## Highlights

- Operating profit increased by 64% primarily due to higher realized metals prices that were partly offset by inflationary growth of cost.
- Net profit increase by 350 billion Rubles or 212% was primarily caused by operating profit increase as well as by forex and other income and expenses.

RUB bn

Financial Position	at 31.12.19	at 31.12.18	Change for the period	
Cash and cash equivalents	133	55	78	142%
Loans and borrowings	707	688	19	3%
<b>Retained earnings</b>	<b>300</b>	<b>147</b>	<b>153</b>	<b>104%</b>

# 2019 Consolidated Financial Statements of PJSC "MMC "Norilsk Nickel"

## Consolidated Revenue

**\$13.6bn**

up 16% vs 2018

- + Realized metal prices (Pd, Ni, Rh)
- + Production volume
- Realized metal prices (Cu, Co, Pt)

## Free Cash Flow

**\$4.9bn**

unchanged y-o-y

- + Higher EBITDA
- + Lower Capex
- Increase of income tax payments on higher taxable income

## EBITDA

**\$7.9bn**

up 27% vs 2018

- + Productivity/efficiency gains
- + Ramp-up of Bystrinsky Project
- Domestic inflation
- Provision for shutdown of certain Kola production facilities

## CAPEX

**\$1.3bn**

down 15% vs 2018

- ✓ Adjustment of sulfur project investment schedule
- ✓ Optimization of investment schedules of some projects

## EBITDA margin

**58%**

up 5 p.p. vs 2018

- ✓ **Industry-leading margin**

## Net Debt/EBITDA ratio

**0.9x**

down 0.2x vs 2018

- ✓ **Below mid-cycle level**
- ✓ In February 2019, Moody's upgraded Nor Nickel to "Baa2" with "Stable" outlook
- ✓ Investment grade credit ratings reiterated by all three major international rating agencies

## Net Working Capital

**\$1.0bn**

up 14% vs Dec'31

- + Reduction of Rostec concentrate inventory
- Appreciation of RUB against USD
- Increase in accounts receivable

# Distribution of PJSC «MMC «Norilsk Nickel» Profit for 2019

---

Dividends for the  
9 months 2019

RUB **95,595** mln

RUB **604.09** per share

Dividends for the  
6 months 2019

RUB **139,878** mln

RUB **883.93** per share

Dividends for the year 2019,  
recommended by  
the Board of Directors

RUB **88,174** mln

RUB **557.20** per share

Total amount of dividends for  
the year 2019

RUB **323,647** mln

**May 25<sup>th</sup> 2020**

The date for determining the persons entitled to  
receive the dividends