

NICKEL ASIA CORP.

# 1H-24 EARNINGS

08/08/2024

**NAC**  
NICKEL ASIA CORP.



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# NIKL AND EPI 1H-24 HIGHLIGHTS

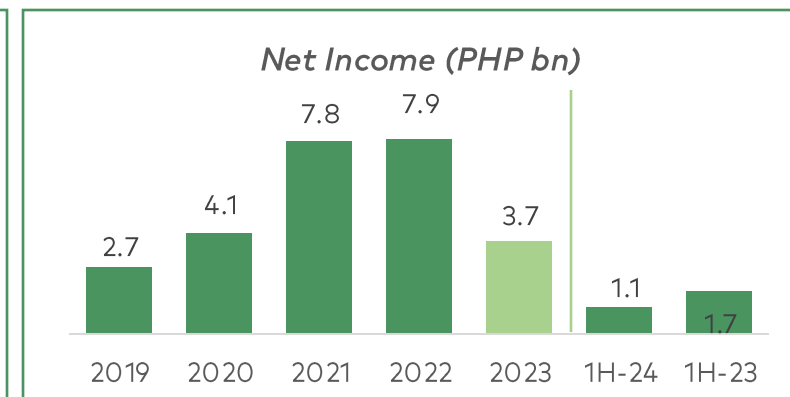
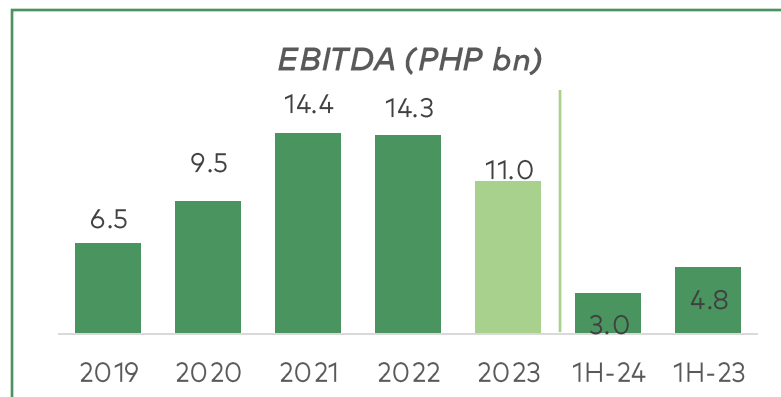
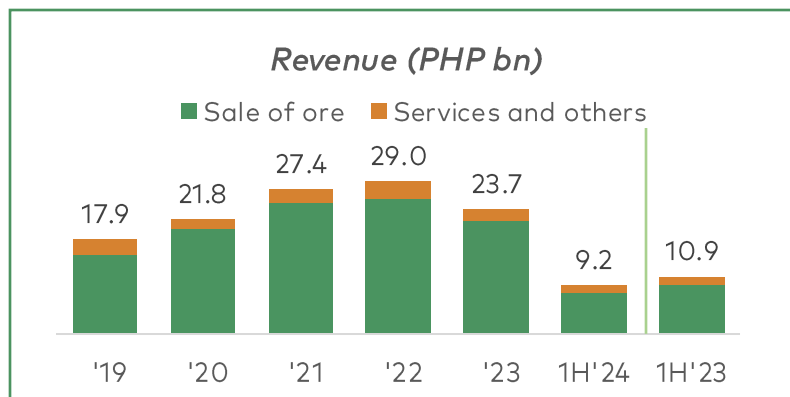
## NICKEL MINING

- Revenues from ore sales declined by 16 percent to P7.79 billion from P9.29 billion last year, due to lower ore prices.
  - The Company's operating mines sold a combined 8.16 million wet metric tons (WMT) of nickel ore during the period, slightly higher than last year's 7.79 million WMT.
  - The weighted average nickel ore sales price during the period decreased by 26% percent to \$16.60 per WMT against \$22.32 per WMT in the same period last year.
- The group's consolidated **Earnings before interest, taxes, depreciation, and amortization (EBITDA)** totaled P2.96 billion against P4.79 billion from the prior year.
- NAC recognized losses from its combined equity share in investments in the two **HPAL plants** in the amount of P388.20 million against P77 million income in the prior year.
- **Reported attributable net income of P1.12 billion for 1H-2024**, which was down 36% YoY due to weak ore prices and losses incurred by our HPAL operations.

## RENEWABLE ENERGY (EMERGING POWER INC.)

- EPI's operating asset Jobin-SQM Inc. (JSI) is presently operating at a total capacity of 172-MW with the new additional capacity achieved last February 28, 2024, from 100 MW YoY (began in July 2022); generation for 1H-24 is up 54.4% YoY to 117,935-megawatt hours.
- JSI's 1H-24 EBITDA up 58.4% YoY to P524.3 million.
- **Cawag Phase 1, 70-MW project** – limited notice to proceed for offshore issued in July 2024. Detailed engineering design, application for construction permit and site clearing are ongoing. Phase 2 (75MW) is expected to commence in November 2024.
- **Leyte Phase 1, 120-MW project under Greenlight Renewables (JV with Shell)** - notice to proceed (NTP) was issued in **September 2023**. The Project is on schedule with its construction and for **COD in April 2025**. Phase 2, 120-MW is expected to commence construction by 4Q 2024.
- **45-MW project under Greenlight Renewables (JV with Shell)** - pre-development activities underway. Land possessory rights already secured. Notice to proceed is expected by 4Q 2024.

# FINANCIAL HIGHLIGHTS (1H-24 VS 1H-23)



	2019	2020	2021	2022	2023	1H2024	1H2023
EBITDA Margin <sup>(1)</sup>	36%	43%	53%	51%	46%	32%	44%
Net Income Margin	21%	26%	39%	38%	24%	19%	26%
Ave. Ni LME price per pound (US\$)	6.32	6.25	8.39	11.21	9.49	8.14	10.70
Average Price in US\$/WMT	Ore Exports	23.52	33.99	40.40	39.39	30.59	28.81
	HPAL Deliveries	8.19	8.33	12.03	18.72	14.66	16.72
Effective Ni Pay factor <sup>(2)</sup>	Ore Exports	16.94%	25.18%	24.11%	18.02%	16.54%	14.16%
	HPAL Deliveries	8.21%	8.33%	8.81%	9.63%	9.73%	10.18%
Dividend Yield <sup>(3)</sup>	2.4%	10.8%	8.2%	7.2%	4.0%	N/A	N/A
Cash dividend payout ratio of PY earnings	32%	152%	151%	79%	50%	N/A	N/A

Source: Company Data

Notes: (1) EBITDA is from Mining operations

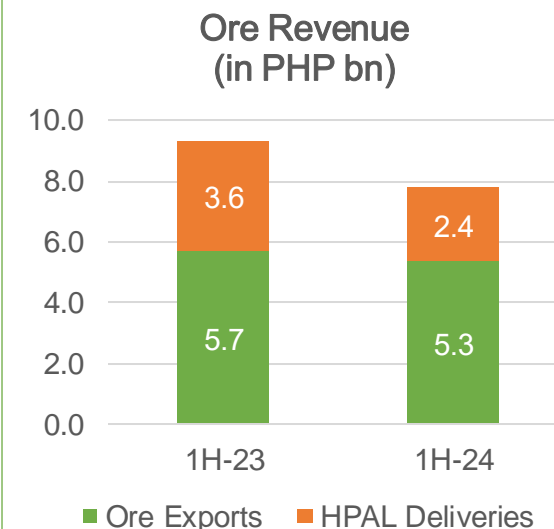
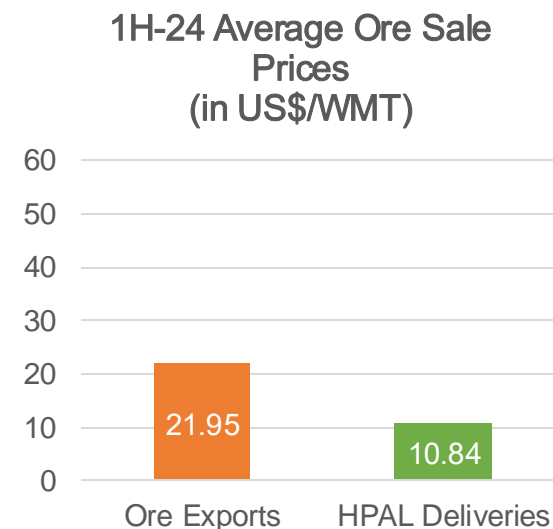
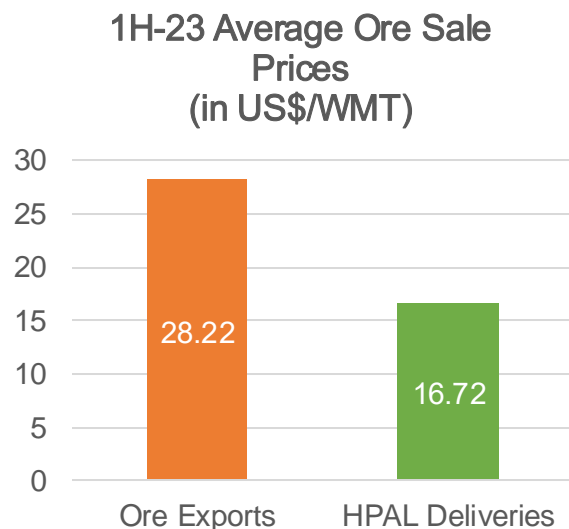
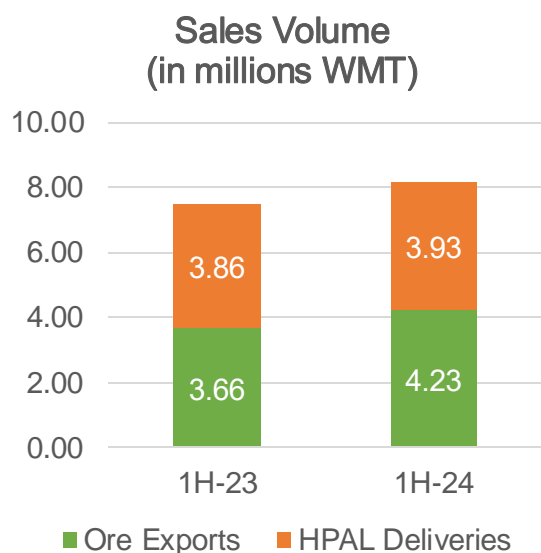
(2) Ni Pay factor is the ratio of revenue to LME price for each unit of contained nickel sold.

(3) Dividend yield is computed as dividend per share divided by average NIKL price per share

\*Using NIKL's average share price as of FY-2023

# SHIPMENTS AND REVENUES BY ORE TYPE

## First Half Period Comparison



- +4.9% YoY ore exports
- +1.8% YoY limo HPAL

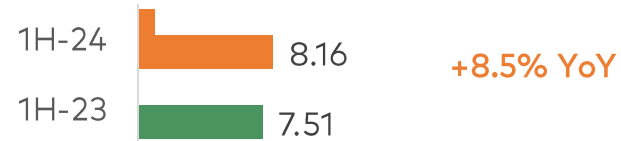
- -24% YoY ore exports
- -37% YoY limo HPAL

- -16% YoY change in Total revenue
- -33% YoY change in limo HPAL revenues
- -7% YoY change in ore exports revenues

# REVENUE – VARIANCE ANALYSIS

## First Half Period Comparison

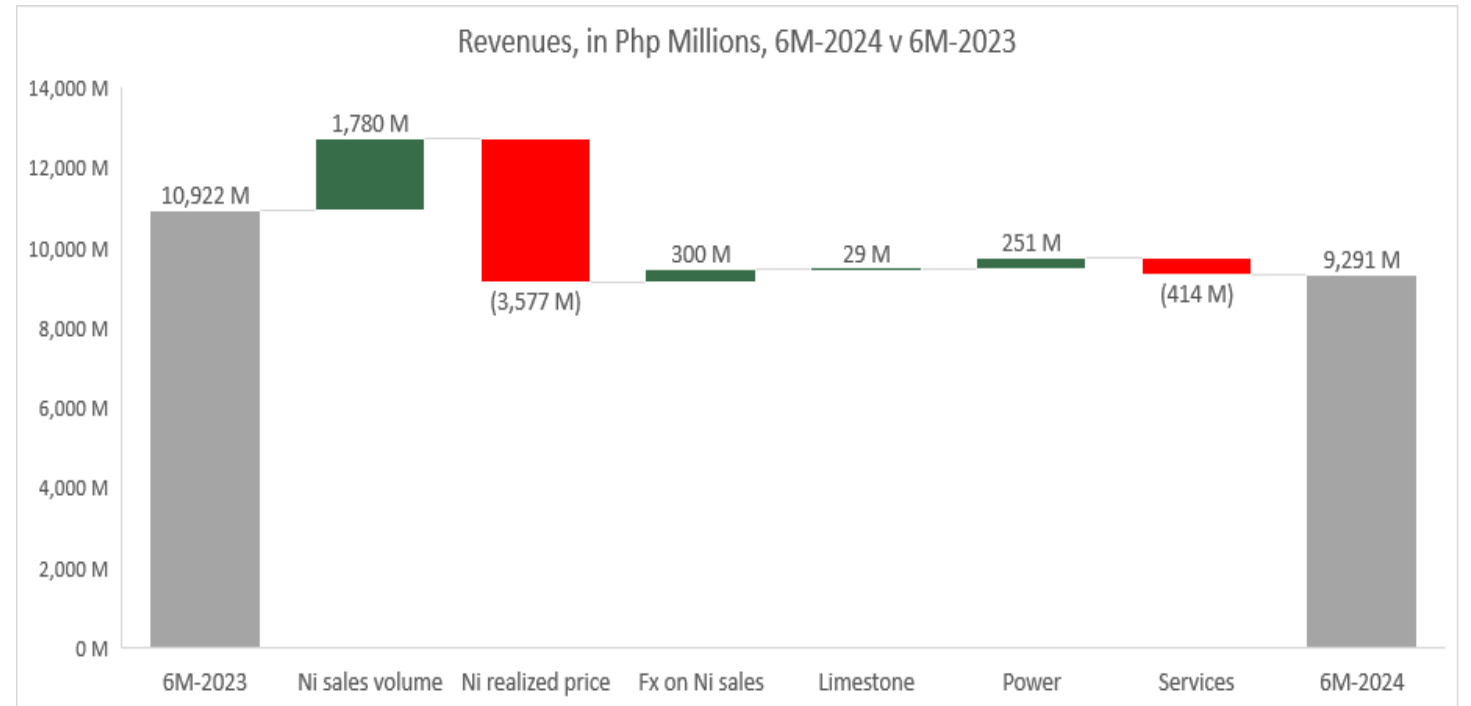
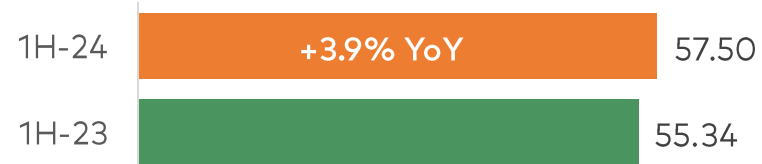
### Sales Volume (in millions WMT)



### Sales Price (in USD\$ per WMT)



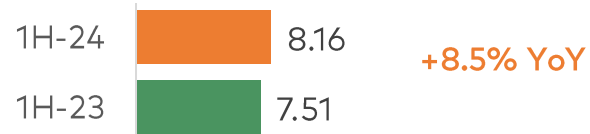
### FX Rate (PHP/USD)



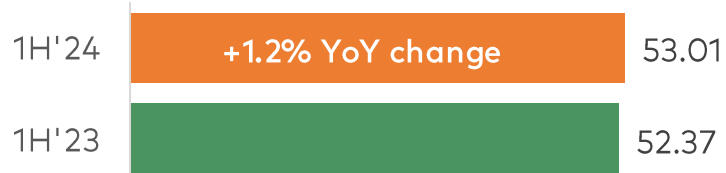
# COST & EXPENSES – VARIANCE ANALYSIS

## First Half Period Comparison

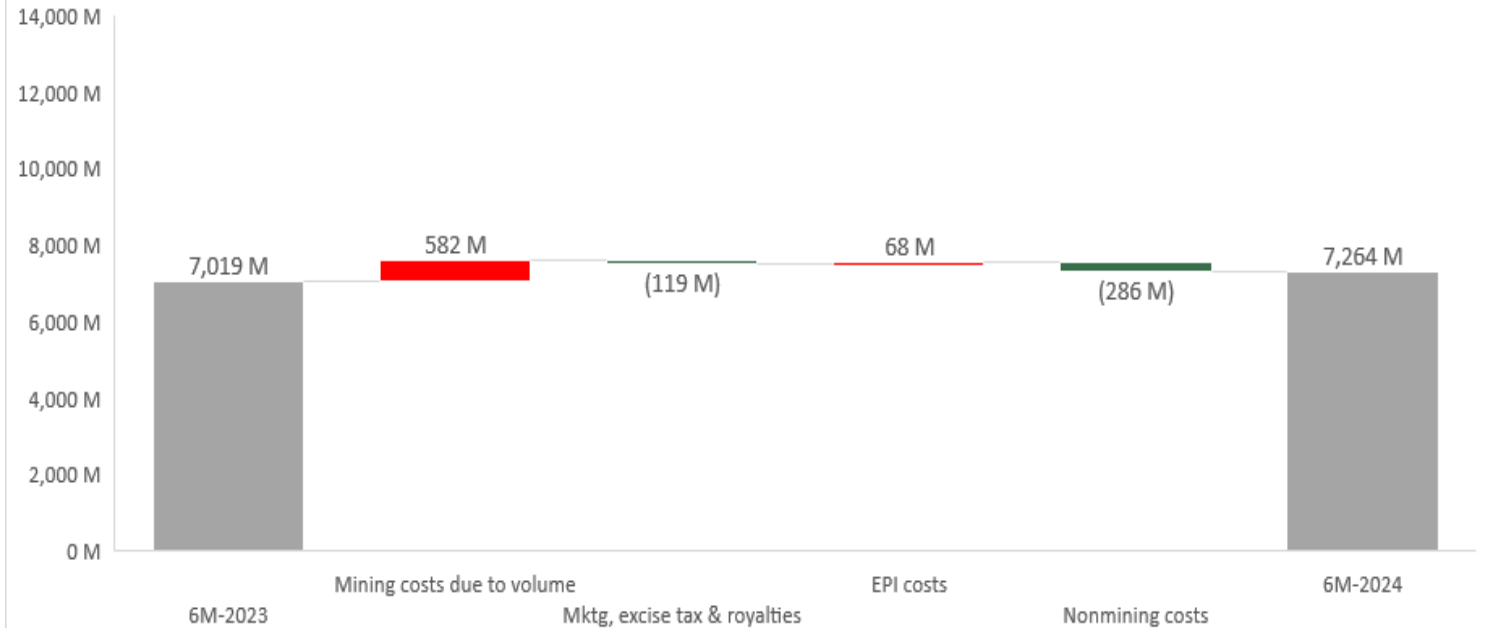
### Sales Volume (in millions WMT)



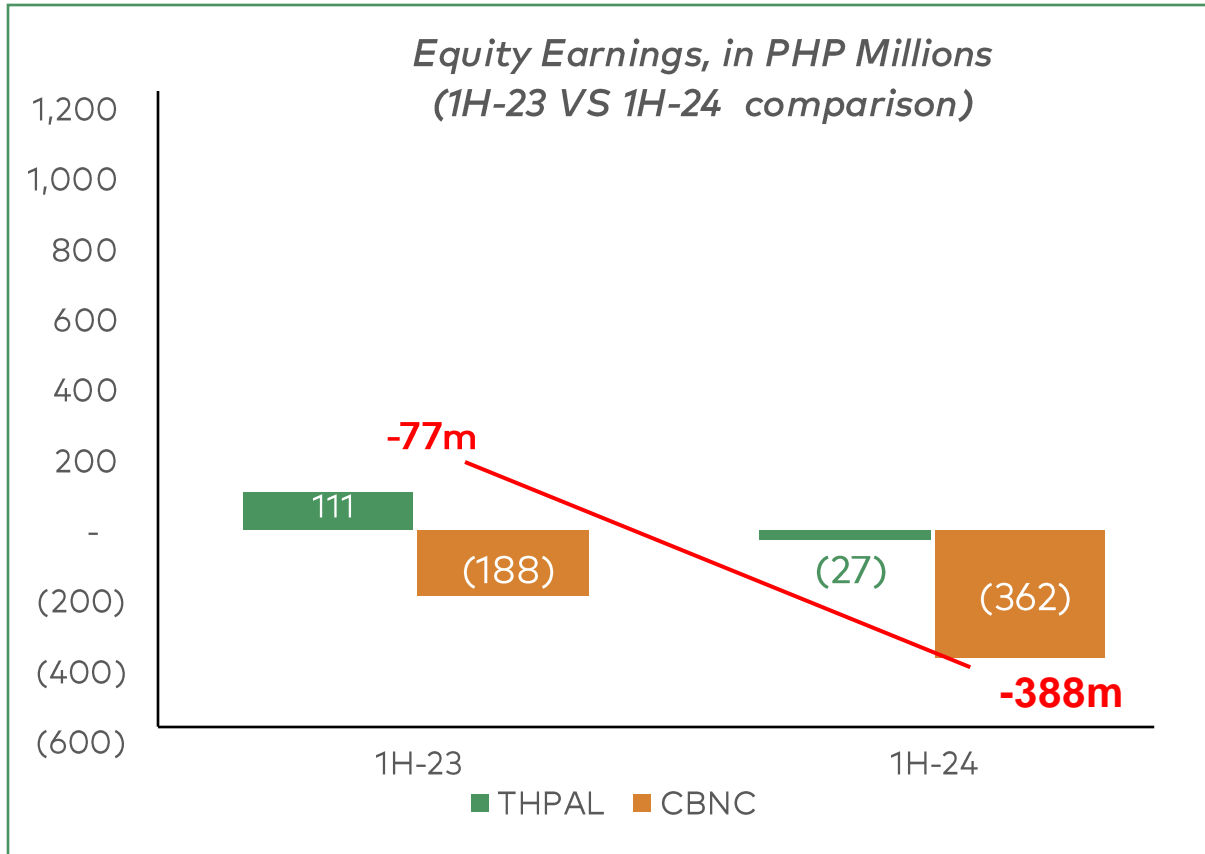
### Fuel Prices (P/Liter)



### Costs and Expenses, in Php Millions, 6M-2024 v 6M-2023



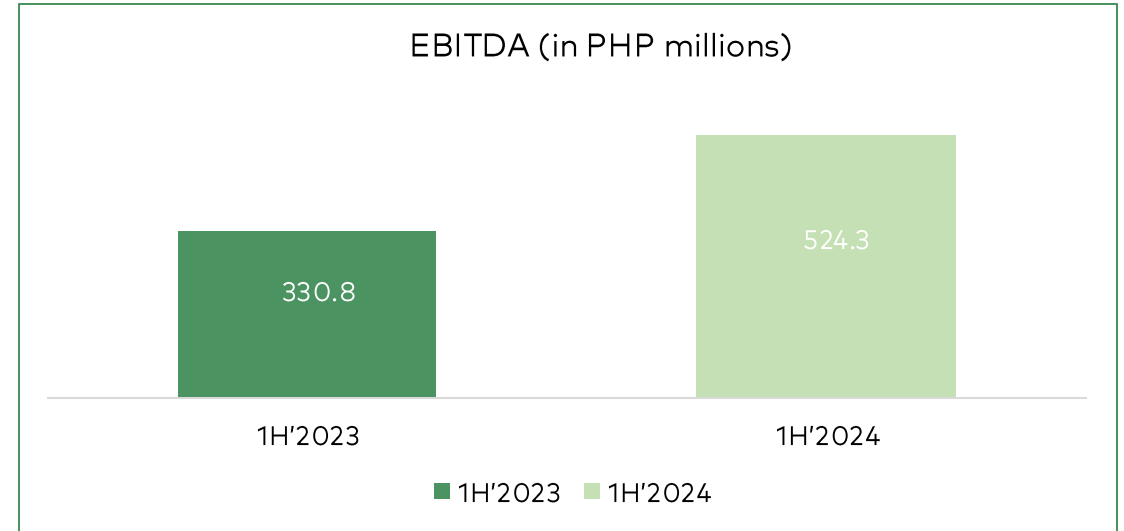
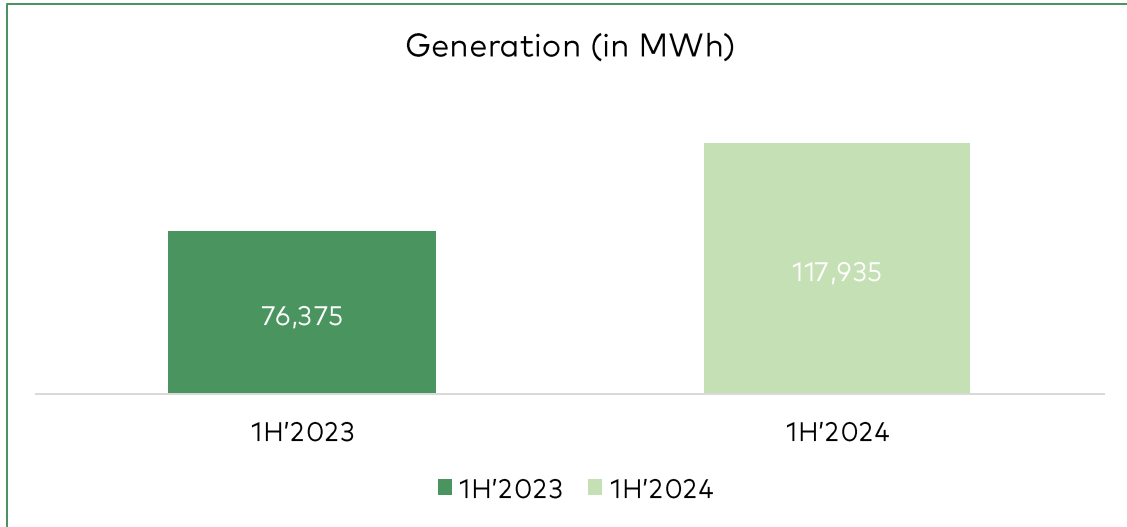
# INVESTMENT IN HPAL EQUITY EARNINGS



- The weaker YoY Nickel and Cobalt prices had further negatively impacted Equity losses from investments in the HPAL operations.



# JSI FINANCIAL HIGHLIGHTS (1H-23 to 1H-24)



	1H-23	1H-24	YoY% change	
Generation (in MWh)	76,375	117,935	54.4% ↑	Due to energization of Phase 4A
EBITDA (Php in Millions)	330.8	524.3	58.4% ↑	At par with revenue growth
EBITDA Margin	84.69%	85.08%	39bps ↑	Within the 80-85% target range
Weighted Realized Tariff (in Php)	5.11	5.22	2.2% ↑	Higher WESM prices due to tight power supply and demand.

Source: Company Data

# THE NEW MINES & RE PIPELINE



# THE NEW MINES

	DINAPIGUE	BULANJAO	MANICANI
Total Resources as of 12/31/2022	129 M WMT @ 1.12% Ni	56 M WMT @ 1.38% Ni	43 M WMT @ 1.59% Ni
Saprolite resources	41 M WMT @ 1.35% Ni	20 WMT @ 1.54% Ni	25 M WMT @ 1.77% Ni
Limonite Resources	88 WMT @ 1.02% Ni	36 WMT @ 1.30% Ni	18 M WMT @ 1.35% Ni
Target Annual Production	2.5M WMT	2M WMT	3M WMT
Target Start Date	2022	2024	2024

# EPI'S SOLAR PROJECTS STATUS

	JSI	Subic Cawag	Leyte Project	Botolan, Zambales
Operating Capacity	172 MW			
Capacity Under Construction or For Construction	72MW expansion completed last February 28, 2024	145 MW	240 MW	45 MW
Total Attributable MW to EPI	153 MW	145 MW	144 MW	27 MW
Pre-development	Completed in January 2023	Completed in June 2023	Completed in June 2023	Ongoing, Target completion: 3Q 2024
Construction	Completed	To start on 4Q 2024	Started September 2023	To start November 2024
Commercial Operations Date "COD"	2Q 2024, energized since February 28	4Q 2025	2Q 2025 (120MW-Phase 1) 1Q 2026 (120MW-Phase 2)	November 2025

# DISCLOSURE

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- August 7, 2024
- The Board approved the grant by the Company of short-term advances in the amount of P3.06 billion to its renewable subsidiary, Emerging Power Inc. (EPI). The advances shall be used by EPI for the immediate requirements of the 145-MW Subic Cawag and Leyte solar power projects.

**End of the presentation**

