

Russian Metals Major Norilsk Nickel's Profits Drop 37% in 2024

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nornickel.ru

Russian nickel, copper and platinum group metals major Norilsk Nickel posted a 37% year-on-year decline in IFRS net profit to \$1.8 billion in 2024, with EBITDA decline of 25% y/y to \$5.2 billion, and revenues down by 13% y/y to \$12.5 billion.

Nornickel attributed the top-line decline to lower market prices for nickel and platinum group metals. The cost of sales rose to 580.3 billion rubles (\$6 billion) in 2024 versus 543.65 billion rubles (\$5.6 billion) in 2023, putting pressure on earnings. Debt financing costs also increased to 83.4 billion rubles (\$869 million).

As expected, the management will not recommend to the board of directors the payment of dividends for 2024.

bne IntelliNews previously reported in May 2024 that the company's board [recommended](#) not paying a final dividend for 2023.

In December, Nornickel CEO and major shareholder Vladimir Potanin reiterated in an interview to the RBC news website that the company will not be paying dividends in the foreseeable future.

The dividends will not be paid until Nornickel moves to positive free cash flow (FCF), as Nornickel has no intention to borrow under record-high financing costs to pay the dividends, Potanin said. He estimated that FCF was at negative \$159 million as of the end of 1H24.

The company's nickel output [declined](#) by 2% y/y to 0.2 million tons in 2024. At the same time, copper output increased by 2% y/y to 0.43 million tons. Palladium and platinum production increased by 3% and 1% y/y to 2,762 and 667,000 ounces respectively.

Nornickel also slightly raised its production forecast for 2025, now expecting the output to be virtually flat as compared to 2024.

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