

Vale (VALE3)

Overdelivering on its Promises

4Q25 Production and Sales Report

Vale reported strong operating performance in 4Q25, with a better-than-expected performance from its base metals division (updated 4Q25E adj. EBITDA of ~US\$4.8 billion +4% vs. our previous forecast), with the company delivering results above its full-year guidance across all divisions. **We highlight:** (i) a solid performance at Copper, with production/sales +6% YoY, driven by increased production at Salobo (which delivered record-high volumes) and Sossego, while realized prices increased by +US\$1,185/t QoQ (due to higher LME reference prices). (ii) Iron ore production +6% YoY (+1% XPe), with iron ore fines' shipments +7% YoY (in-line vs. XPe), driven by higher volumes at Brucutu, and the ramp up of Vargem Grande and Capanema; while (iii) pellet sales volumes -10% YoY. All-in, we reiterate our Neutral rating on Vale, mostly on the expectations of lower iron ore prices after the restocking period, although we acknowledge improved short-term momentum for the shares (VALE3 +17% YTD).

Our take. We view today's report highlighting Vale's strong operational momentum, with the company delivering results above its full-year guidance across all divisions. The outperformance was driven primarily by the strength of the Base Metals division, where Salobo delivered all-time-high volumes, and both Onça Puma 2nd furnace and the Voisey's Bay underground mines continued to ramp up successfully. In our view, this positions Vale favorably to capture upside from the ongoing energy transition metals cycle, particularly considering the recent strong performance of metals' prices. All-in, while we maintain our Neutral stance on Vale due to the expectations of lower iron ore prices following the restocking period, we acknowledge that improving copper (and metals) prices, combined with the debasement thesis and a broader rotation from the U.S. to emerging markets, could continue to support Vale's relative momentum (VALE up +26% YTD in USD terms).

Iron ore: (i) solid production of 90.4 Mt +6% YoY (-4% QoQ, +1% XPe), driven by: (a) higher run-of-mine availability at Brucutu (+2.2Mt YoY), and the ramp up of Capanema (3Mt in 4Q25), expected to reach full capacity in 2Q26E; (b) improved performance at Vargem Grande, supported by VGR1 project ramp up (+3.9Mt YoY); (c) partially offset by weaker production in the Northern system, driven by lower Serra Norte's run-of-mine availability, and scheduled maintenance downtime at S11D; and (d) higher 3rd party purchases (+2.6Mt YoY). (ii) Shipments (fines + ROM) totaled 75.8 Mt (+7% YoY, in-line vs. XPe), with in-line production-to-sales gap. (iii) All-in premium totaled US\$0.9/t (-US\$1.2/t QoQ), driven by a lower contribution from low-alumina products (BRBF, mid-grade and IOCJ).

Pellets: (i) production of 8.3 Mt was -9% YoY (+4% QoQ, +5% XPe). (ii) Shipments of 9.1 Mt were -10% YoY (+3% QoQ, +6% XPe). (iii) Pellets realized prices of US\$131/t flat QoQ (in-line vs. XPe).

Copper: (i) production of 108.1 kt +6% YoY (+19% QoQ), driven by higher production from Brazil (+4.0kt YoY from Salobo; +0.5 kt YoY from Sossego), and Canada (+1.8 kt YoY). (ii) Sales of 106.9 kt was +8% YoY (+19% QoQ, +10% XPe). (iii) Copper's average realized price of US\$11,003/t +12% QoQ, due to higher LME prices/lower TC/RC discounts.

Lucas Laghi

Metals & Mining, Pulp & Paper and Capital Goods
lucas.laghi@xpi.com.br

Guilherme Nippes

Metals & Mining and Pulp & Paper
guilherme.nippes@xpi.com.br

Fernanda Urbano

Capital Goods
fernanda.urbano@xpi.com.br

Vale (VALE3) 4Q25 Operating Performance

Vale - 4Q25 Operating Performance	4Q25A	4Q25 XPe	vs. XP	4Q24	YoY	3Q25	QoQ
Summarized Figures							
Iron Ore Shipments (mt, incl. ROM)	75.8	75.9	0%	71.1	7%	77.2	-2%
Iron Ore Realized Prices (US\$/t)	95.4	95.6	0%	93.0	3%	94.4	1%
Pellets Shipments (mt)	9.1	8.6	6%	10.1	-10%	8.8	3%
Pellets Realized Prices (US\$/t)	131.4	131.0	0%	143.0	-8%	130.8	0%

Vale's 4Q25 Operating Performance

Figure 1: Vale's 4Q25 Production and Sales Performance

Vale - 4Q25 Operating Performance	4Q25A	4Q25 XPe	vs. XP	4Q24	YoY	3Q25	QoQ
Production							
Iron Ore¹ (mt)	90.4	89.3	1%	85.3	6%	94.4	-4%
Northern System	44.8	47.1	-5%	51.2	-13%	49.7	-10%
Southeastern System	23.9	21.5	11%	19.5	23%	22.7	5%
Southern System	13.5	13.0	4%	8.9	52%	13.8	-2%
Midwestern System	0.0	0.0	n.m.	0.0	n.m.	0.0	n.m.
Third-Party Purchases	8.3	7.7	7%	5.7	46%	8.2	1%
Pellets (mt)	8.3	7.9	5%	9.2	-9%	8.0	4%
Nickel (kt, Nickel Division)	46.2	41.0	13%	45.5	2%	46.7	-1%
Copper (kt)	108.2	99.9	8%	102.0	6%	90.7	19%
Brazil	81.5	77.4	5%	77.0	6%	72.3	13%
Canada	26.7	22.5	19%	25.0	7%	18.4	45%
Shipments							
Iron Ore Fines ¹ (mt)	75.8	75.9	0%	71.1	7%	77.2	-2%
Iron Ore Average Grade (%)	61.7%	61.7%	0.0p.p.	62.4%	-0.7p.p.	61.7%	0.0p.p.
Pellets (mt)	9.1	8.6	6%	10.1	-10%	8.8	3%
Nickel (kt, Nickel Division)	49.6	41.0	21%	47.1	5%	42.9	16%
Copper (kt)	106.9	97.3	10%	99.4	8%	90.0	19%
Brazil	81.3	74.8	9%	74.4	9%	70.2	16%
Canada	25.6	22.5	14%	25.0	2%	19.8	29%
Realized Prices							
Iron Ore Reference Prices (US\$/t)	106.0	106.0	0%	103.4	3%	102.0	4%
Iron Ore Fines (US\$/t)	95.4	95.6	0%	93.0	3%	94.4	1%
Pellets (US\$/t)	131.4	131.0	0%	143.0	-8%	130.8	0%
Nickel (US\$/t)	15,015	15,315	-2%	16,163	-7%	15,445	-3%
Copper (US\$/t)	11,003	10,618	4%	9,187	20%	9,818	12%

Notes: ¹ Incl. ROM, third-party purchases and pellet feed; (2) As of 2Q25, Vale's production figures by System and Complex will no longer include third-party purchase volumes. These volumes are now reported separately under a consolidated line titled "Third-party purchase"

Figure 2: Vale's 4Q25 Estimates Post-Production and Sales Report

Vale - 4Q25 Updated Estimates	4Q25 XPe		Diff. (%)	4Q24	YoY	3Q25	QoQ
	New	Old					
Net Revenues	10,922	10,555	3%	10,124	8%	10,420	5%
Adj. EBITDA	4,805	4,607	4%	3,905	23%	4,399	9%
Adj. EBITDA Margin	44.0%	43.6%	0.4p.p.	38.6%	5.4p.p.	42.2%	1.8p.p.
Net Income	3,100	2,941	5%	-694	-547%	2,685	15%

Figure 3: Vale's Production vs. Guidance

Guidance	2025E Production			
	Iron Ore	Pellets	Nickel	Copper
Guidance (Mid-Point)	335	31	175	370
Production (12M25) as a % of Guidance	100%	101%	101%	103%
Production (LTM) as a % of Guidance	100%	101%	101%	103%
Production (4Q25 Annualized) as a % of Guidance	108%	107%	106%	117%
Production (12M25 Annualized) as a % of Guidance	100%	101%	101%	103%

Iron Ore

Figure 4: Iron Production by System (mt) and Iron Ore Grade (%)

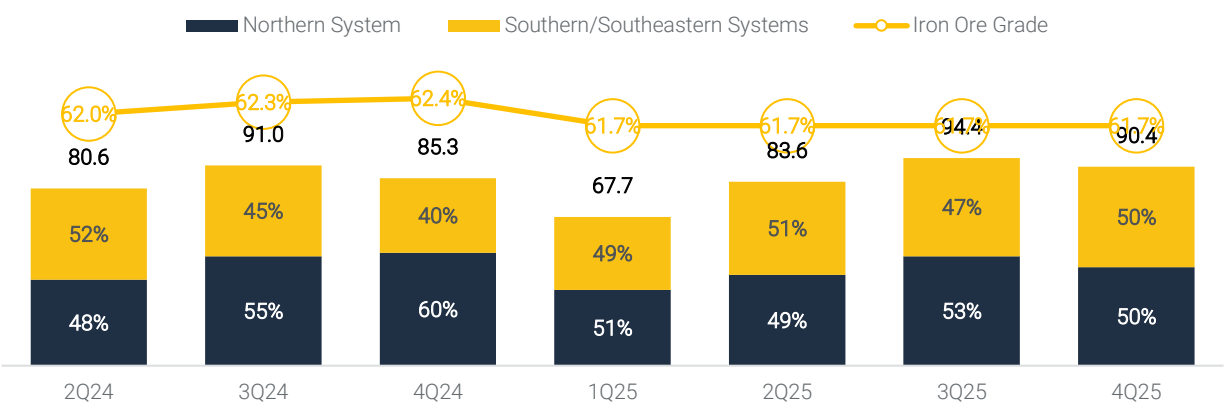


Figure 5: Production and Shipments

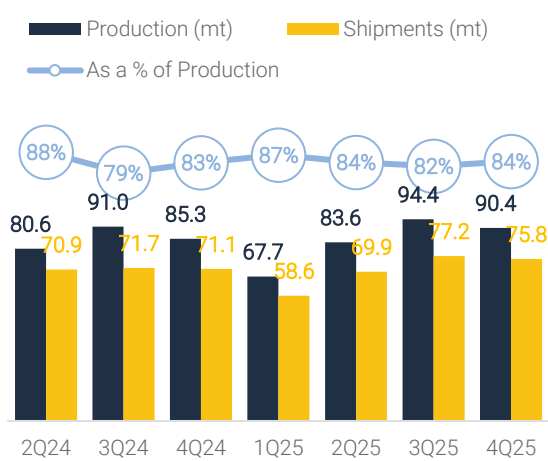
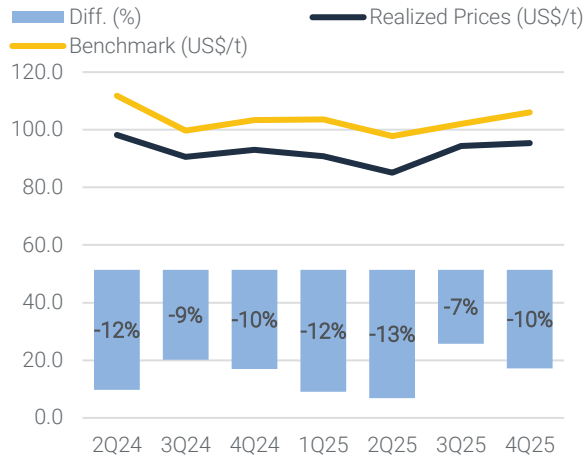


Figure 6: Realized Prices vs. Benchmark



Pellets

Figure 7: Production and Shipments

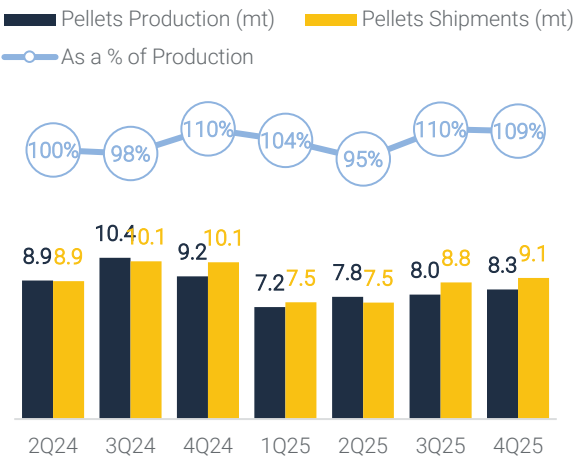
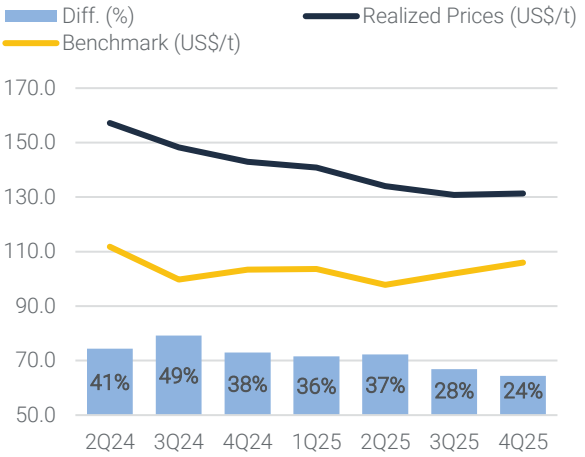


Figure 8: Realized Prices vs. Benchmark



Nickel

Figure 9: Production and Shipments

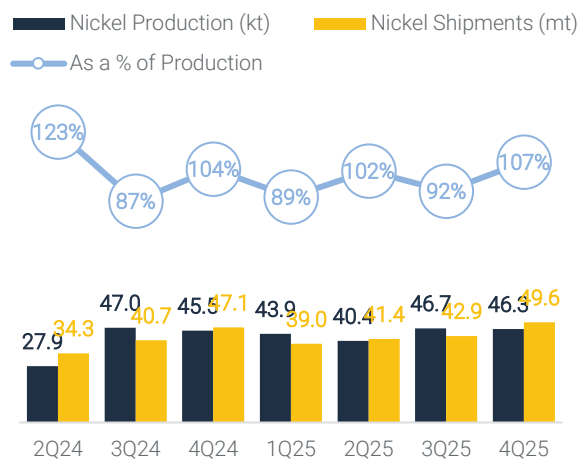
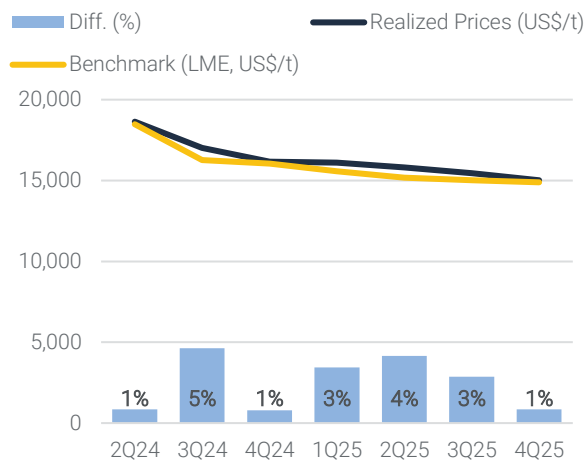


Figure 10: Realized Prices vs. Benchmark



Copper

Figure 11: Production and Shipments

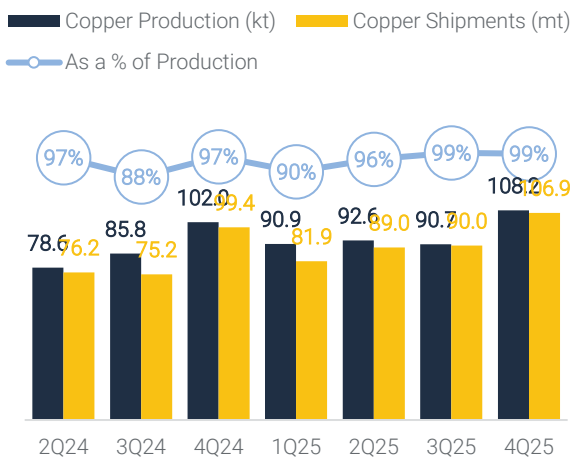
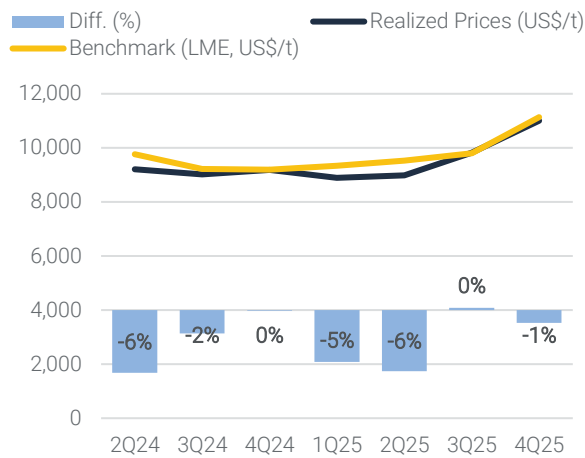


Figure 12: Realized Prices vs. Benchmark





Latest Reports

Weekly Reports

[Metals & Mining: Antidumping Progress in Brazil on the Way](#)

[Metals & Mining: China's Economic Activity Lost Further Steam in 4Q25](#)

[Pulp & Paper: Pulp Price Momentum Continued; Mixed 4Q25E Results for Pulp & Paper Stocks](#)

[Pulp & Paper: China's Imported Woodchip Volumes Increased in Nov'25](#)

[Metals & Mining: Gold Prices Surged to Record High Levels](#)

[Metals & Mining: A Good Start for Metals in 2026; Aura Minerals Announced the Construction License for Era Dorada](#)

[Metals & Mining: China's Economic Momentum Remained Weak in Nov'25; Iron Ore Prices Up +3% WoW](#)

[Pulp & Paper: Supply-Side Constraints Driving Upward Momentum for Pulp Prices](#)

Thematic Reports & Updates

[Usiminas \(USIM5\): Antidumping Optimism to Support Short-Term Earnings Momentum](#)

[CSN \(CSNA3\): CSN Outlines Strategic Plan to Strengthen Capital Structure](#)

[CBA \(CBAV3\): Clearing the Path Ahead](#)

[Aura Minerals \(AURA33\): Macro Tailwinds and Micro Catalysts Driving Further Upside Potential](#)

[Vale \(VALE3\): Unravelling FCF Profile, While Exploring Valuation Asymmetries](#)

Recurring Trackers

[Metals & Mining: Resilience Steel Demand In Spite of Weaker Seasonality By Year-End - Brazil Steel Insights](#)

[Pulp & Paper: Momentum Continues to Improve for Pulp in the Short-Term - Pulp & Paper Global Outlook](#)

[Metals & Mining: Iron Ore Demand Remained Weak, Despite Short-term Resilience - Iron Ore Global Outlook](#)

[M&M | P&P: Flat Steel Imports Down, While Long Steel Imports Up MoM in Dec'25 - Trade Monitor](#)

[Metals & Mining: Resilient Demand Amid Year-End Seasonality and Antidumping Progress - Brazil Steel Insights](#)

Other Reports

[Metals & Mining | Pulp & Paper: Higher Iron Ore and Gold Prices Position Vale and Aura as Highlights - 4Q25 Preview](#)

[Aura \(AURA33\): Delivering 2025 Production Guidance; MSG Included](#)

[Suzano \(SUZB3\): A Tougher Pulp Market, Though with Strategic Opportunities](#)

[Usiminas \(USIM5\): Antidumping Measures in Focus](#)

[M&M | P&P | CG: Divergent Perceptions Between Locals and Foreigners](#)

[Klabin \(KLBN11\): Deleveraging in Progress](#)

Disclaimer

1) This report was prepared by XP Investimentos CCTVM S.A. ("XP Investimentos or XP") according to the requirements provided in CVM Resolution 20/2021 and aims to provide information that can help the investors make their own investment decisions, and does not constitute any kind of offer or purchase request and/or sale of any product. The information contained in this report is considered valid on the date of disclosure and has been obtained from public sources. XP Investimentos is not liable for any decisions made by the customer based on this report.

2) This report was prepared considering the product risk classification in order to generate allocation results for each investor profile.

3) All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst(s) compensation was, is or will be, directly or indirectly related to the specific recommendations or views expressed in this research report.

4) The signatory of this report declare that the recommendations reflect solely and exclusively their personal analyses and opinions, which have been produced independently, including in relation to XP Investimentos and which are subject to modifications without notice due to changes in market conditions, and that their remuneration are indirectly affected by revenue from business and financial transactions carried out by XP Investimentos.

5) The analyst responsible for the content of this report and the compliance with CVM Resolution 20/2021 is indicated above, and, in the event of an indication of another analyst in the report, the person responsible will be the first accredited analyst to be mentioned in Report.

6) XP Investimentos' analysts are obligated to comply with all the rules laid down in the APIMEC's conduct code for the securities analyst and XP Investimentos' analyst of securities conduct policy.

7) Customer service is carried out by XP Investimentos employees or by autonomous investment agents who perform their activities through XP, in accordance with CVM Resolution 16/2021, which are registered in the national association of brokers and distributors of securities ("ANCORD"). The autonomous agent of investment may not provide consulting, administration or management of customer net worth, and must act as an intermediary and request prior authorization from the client for the realization of any operation in the capital market.

8) The products presented in this report may not be suitable for all types of customer. Before making any decisions, customers should ensure that the products presented are suitable for their investor profile. This material does not suggest any change of portfolio, but only guidance on products suitable to a certain investor profile.

9) The profitability of financial products may present variations and their price or value may increase or decrease in a short period of time. Past performance is not necessarily indicative of future results. Performance disclosed is not net of any applicable taxes. The information present in this material is based on simulations and the actual results may be significantly different.

10) This report is intended exclusively for to the XP Investimentos' network, including independent XP agents and XP customers, and may also be released on XP's website. It is prohibited to reproduce or redistribute this report to any person, in whole or in part, whatever the purpose, without the prior express consent of XP Investimentos.

11) XP Investimentos' ombudsman has the mission to serve as a contact channel whenever customers who do not feel satisfied with the solutions given by the company to their problems. The contact can be made via telephone 0800 722 3710 if you are in Brazil or via ombudsman form if you are in other localities: <https://institucional.xpi.com.br/ouvidoria.aspx/>.

12) The cost of the transactions billing policies are defined in the operational cost tables which are made available on XP Investimentos website: www.xpi.com.br.

13) XP Investimentos is exempt from any liability for any damages, direct or indirect, that come from the use of this report or its contents.

14) Technical analysis and fundamental analysis follow different methodologies. Technical analysis is performed following concepts such as trends, support, resistance, candles, volume, and moving averages, amongst others. Fundamental analysis uses as information the results disseminated by the issuing companies and their projections. In this way, the opinions of fundamental analysts, who seek the best returns given the market conditions, the macroeconomic scenario and the specific events of the company and the sector, may differ from the opinions of technical analysts, which aim to identify the most likely movements on asset prices, using "stops" limit possible losses.

15) Investment in stocks is appropriate for moderate and aggressive profile investors, according to the suitability policy practiced by XP Investimentos. Equity investments available are portion a company's capital that is traded on the market. Stock is a variable financial investment (i.e. an investment in which profitability is not pre-established and varies depending on market quotations). Investment in stock is a high-risk investment and past performance is not necessarily indicative of future results and no statement or warranty, expressed or implied, is made in this material in relation to future performance. Market conditions, macroeconomic scenario, company and sector specific events can affect investment performance and may even result in significant asset losses. The recommended duration for equity investments is medium-long term. There is no guarantee of investment return for customers' investments in stock.

16) Investment in options is preferably indicated for aggressive profile investors, according to the suitability policy practiced by XP Investimentos. In options market, the purchase or sale rights of a good shall be negotiated at a price fixed at a future date, and the purchaser of the negotiated duty should pay a premium to the seller as in a secure agreement. Operations with these derivatives are considered very high risk for presenting high risk and return relationships and some positions present the possibility of losses higher than the capital invested. The recommended duration for the investment is short-term and the customer's assets are not guaranteed in this type of product.

17) Investment in terms is indicated for aggressive profile investors, according to the suitability policy practiced by XP Investimentos. They are contracts for the purchase or sale of a certain number of shares at a fixed price for settlement within a specified period. The term of the contract is freely chosen by the investors, complying with the minimum period of 16 days and a maximum of 999 days. The price will be the value of the added share of a portion corresponding to the interest-which are set freely on the market, depending on the term of the contract. Every transaction in the term requires a guarantee deposit. These guarantees are provided in two forms: coverage or margin.

18) Investments in futures markets are subject to significant loss of principal, and are therefore appropriate for aggressive profile investors, according to the suitability policies practiced by XP Investimentos. A commodity is an object or price determinant of a future contract or other derivative instrument, which may substantiate an index, a fee, a movable value or a physical product. Commodities are considered high risk investments, which include the possibility of price fluctuation due to the use of financial leverage. The recommended duration for commodity investments is short-term and customers' assets are not guaranteed in this type of product. Market conditions and the macroeconomic scenario can affect the performance investments.

19) This institution is adhering ANBIMA Code of Regulation and best practices for the distribution activity of retail investment products.

20) XP Investments US, LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission, has assumed responsibility for this research for purposes of U.S. law. All transactions arising from this research should be directed to XP Investments US, LLC, at +1 646-664-0525

