

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.

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 Ore ¹ (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 (%)

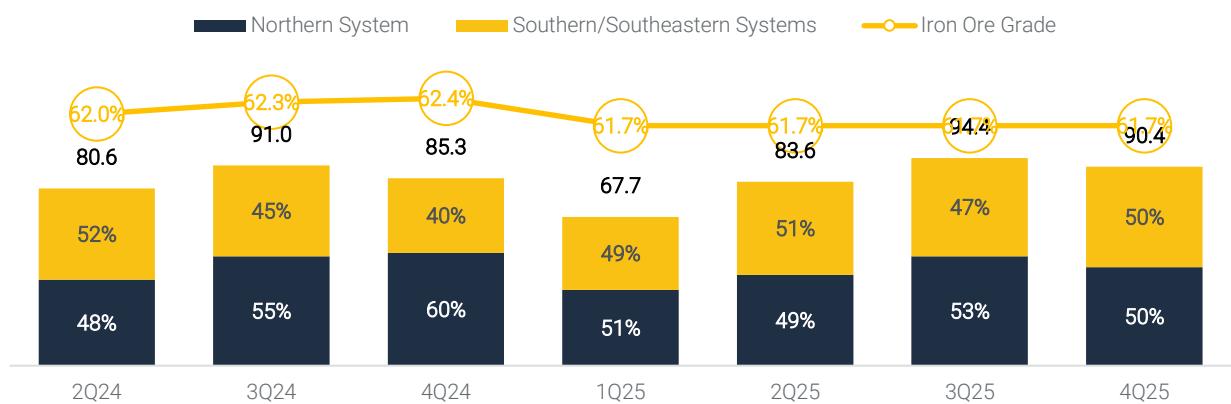


Figure 5: Production and Shipments

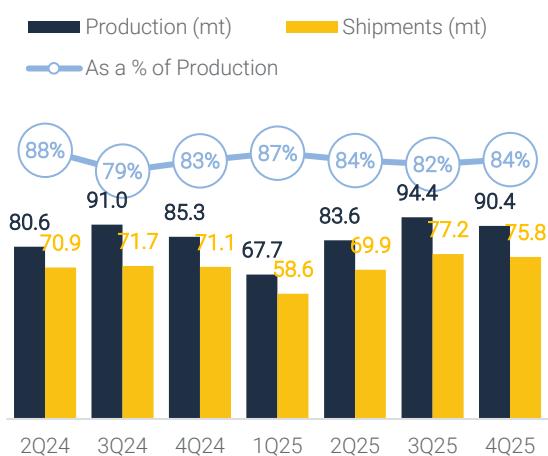
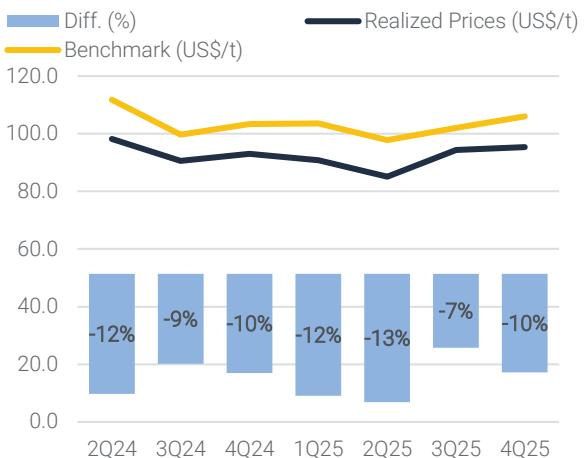


Figure 6: Realized Prices vs. Benchmark



Pellets

Figure 7: Production and Shipments

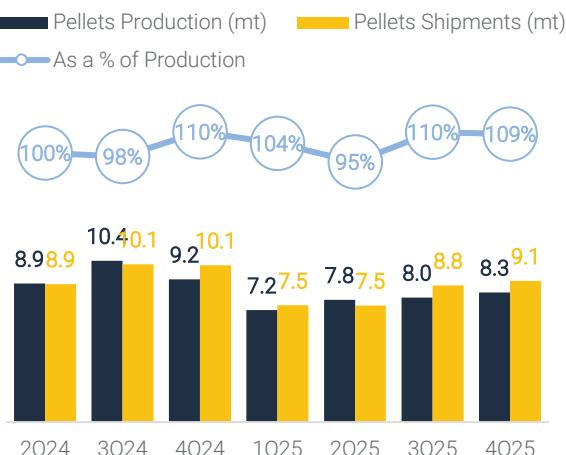
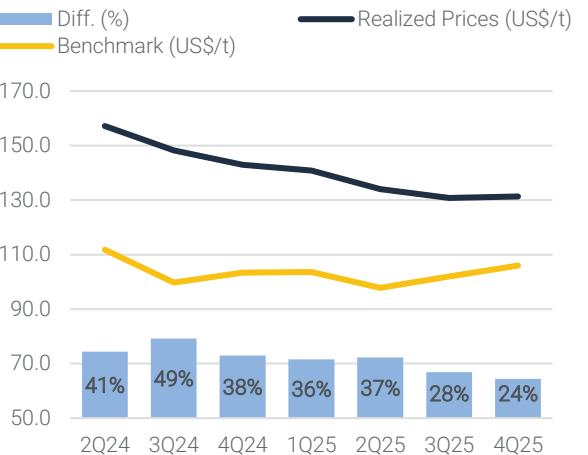


Figure 8: Realized Prices vs. Benchmark



Nickel

Figure 9: Production and Shipments

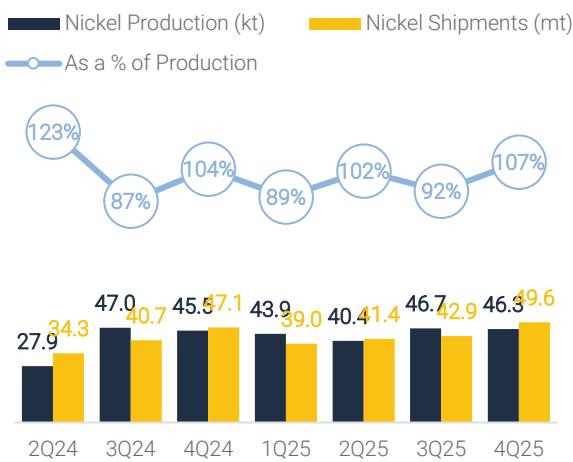
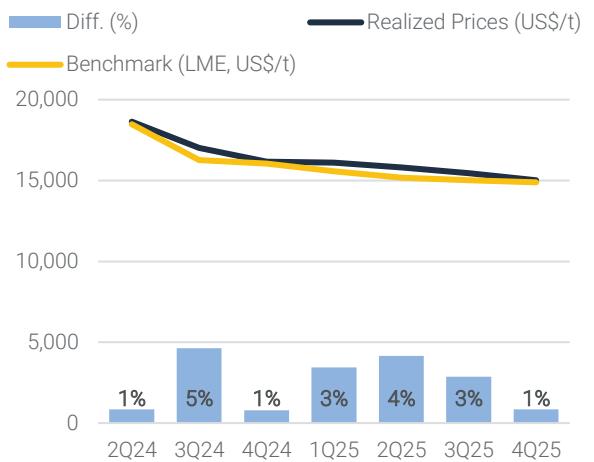


Figure 10: Realized Prices vs. Benchmark



Copper

Figure 11: Production and Shipments

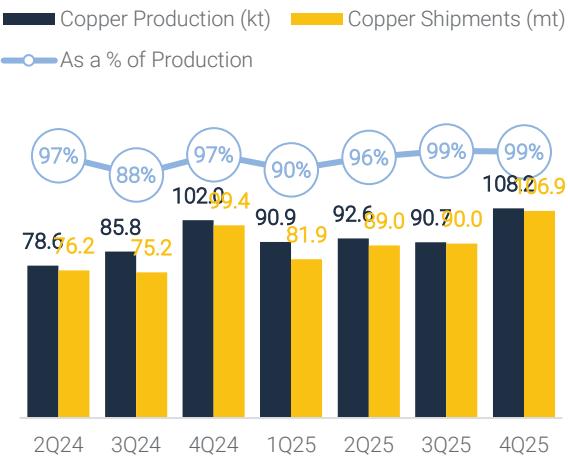


Figure 12: Realized Prices vs. Benchmark





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