

Foraco International reports strong fourth quarter 2022 and record full-year results

16.02.2023 | [CNW](#)

- Q4 revenue increased 23% to US\$84.9 million
- Q4 EBITDA increased 82% to US\$17.1 million
- FY 2022 revenue increased 23% to US\$330.6 million, benefiting from strategic positioning in key commodities
- Record FY 2022 EBITDA of US\$66.5 million (+55% year-over-year)
- Strong FY 2023 backlog of US\$229.6 million (+6% year-over-year) confirming strength of business model
- FY 2022 utilization rate of 58% (vs. 56% in FY 2021)
- Significantly de-levered balance sheet to 1.1x at year-end 2022 (vs. 2.0x at year-end 2021)
- Net result for FY 2022 amounted to US\$25.8 million

TORONTO, Feb. 16, 2023 - [Foraco International SA](#) (TSX: FAR) (the "Company" or "Foraco"), a leading global provider of mineral and water drilling services, today announced fourth quarter and full-year 2022 results. All figures are expressed in US Dollars (US\$) unless otherwise indicated.

Commenting on the Company's performance, Chairman and Co-CEO Daniel Simoncini said, "We are pleased to report a remarkable quarter with revenues of US\$84.9 million, up 23% compared to the same quarter last year at US\$68.9 million. This quarter concluded a year of reaffirmation and consolidation for Foraco. In FY 2022, we reached new highs with revenues of US\$330.6 million versus US\$269.7 million for FY 2021, representing an increase of 23%. We benefited from our strategic positioning in key markets: battery metals (Copper, nickel and lithium) represented 42% of our revenue in FY 2022 vs 30% in FY 2021, fueled by the continuing and growing demand for electrification, while gold, which accounted for 28% of our revenue continues to assure a solid foundation for the long-term. A further 13% of revenue was generated by water services, a fast-growing segment. Our long-term presence and focus in key mining regions including North America, Australia and South America is also a factor of success."

Mr. Simoncini continued, "Our strong backlog to be delivered in FY 2023 represented US\$229.6 million on December 31, 2022 versus US\$216.5 million on December 31, 2021 (+6%) confirming the strength of our business model and our clients' satisfaction and trust. We are also pleased to report the excellent performance of our operations while our utilization rate stands at 58% (vs. 56% in FY 2021). We would like to stress that none of these performances would have been possible without the dedication and competence of our team who we warmly thank for their contribution. We are confident the metals market will continue to grow in the near future and are bracing for further expansion."

"Our Q4 2022 EBITDA reached US\$17.1 million (or 20% of revenue), a 82% increase compared to Q4 2021 (US\$9.4 million and 14% of revenue). Our FY 2022 EBITDA reached US\$66.5 million, a new record high over the last decade compared to US\$43.0 in FY 2021 (+55%). In this period of solid demand despite global inflationary pressures and supply chain challenges, margins continued to improve from the prior year quarter thanks to improved country and product mix, successful renegotiation of most of our long-term contracts carried out since 2021 including inflation protection clauses, better productivity and strong operational performance." said Jean-Pierre Charmensat, Co-CEO and CFO.

"We continued to deleverage our balance sheet during the quarter and our Net debt to EBITDA ratio reached a low of 1.1x at year-end, a significant improvement year-on-year. Our net profit has tripled to US\$6.7 million in Q4 2022 despite the increase in interest rates and we posted a net profit of US\$25.8 million in FY 2022. Our profitability and the strong fundamentals of our business give us ground to proactively work on improving our capital structure. We have a clear vision of the opportunities and challenges ahead and continue to systematically address our strategic priorities and make the Company stronger."

Income Statement

(In thousands of US\$) (unaudited)	Three-month period ended Year ended December 31, December 31,			
	2022	2021	2022	2021
Revenue	84,903	68,896	330,555	269,689
Gross profit (1)	18,479	10,112	71,272	46,820
As a percentage of sales	21.8 %	14.7 %	21.6 %	17.4 %
EBITDA	17,126	9,420	66,544	43,041
As a percentage of sales	20.2 %	13.7 %	20.1 %	16.0 %
Operating profit	12,002	4,287	46,384	24,127
As a percentage of sales	14.1 %	6.2 %	14.0 %	8.9 %
Profit for the period (2)	6,687	2,226	25,780	39,010
Attributable to:				
Equity holders of the Company	6,523	2,269	19,761	35,487
Non-controlling interests	164	(43)	6,019	3,523
EPS (in US cents)				
Basic	6.61	2.26	20.01	37.65
Diluted	6.48	2.20	19.59	36.71

(1) This line item includes amortization and depreciation expenses related to operations.

(2) In FY 2021, the Company recognized a one-off gain of US\$ 25.2 million linked to a financial reorganization.

Highlights - Q4 2022

Revenue

- Revenue for Q4 2022 amounted to US\$ 84.9 million compared to US\$ 68.9 million in Q4 2021, an increase of 23%.

Profitability

- Q4 2022 gross margin including depreciation within cost of sales was US\$ 18.5 million (or 21.8% of revenue) compared to US\$ 10.1 million (or 14.7% of revenue) in Q4 2021, an increase of 83%. This reflects the combination of solid operating performances, improved product mix and better absorption of fixed costs.
- During the quarter, EBITDA amounted to US\$ 17.1 million (or 20.2% of revenue) compared to US\$ 9.4 million (or 13.7% of revenue) for the same quarter last year, an increase of 80 %.
- The Free Cash Flow for the period was US\$13.4 million compared to US\$ 2.6 million in Q4 2021.

Highlights - FY 2022

Revenue

- FY 2022 revenue amounted to US\$ 330.6 million compared to US\$ 269.7 million for FY 2021 an increase of 23%.

Profitability

- FY 2022 gross margin including depreciation within cost of sales was US\$ 71.3 million (or 21.6% of revenue) compared to US\$ 46.8 million (or 17.4% of revenue) for FY 2021.
- During the period, EBITDA amounted to US\$ 66.5 million (or 20.1% of revenue), compared to US\$ 43.0 million (or 16.0% of revenue) for the same period last year.
- The Free Cash Flow of the year was US\$17.4 million compared to US\$ 10.4 million in FY 2021.

Net debt

- The net debt including the impact of IFRS 16 was US\$ 76.2 million as at December 31, 2022 compared to US\$ 85.7 million as at December 31, 2021.
- Our Net debt to EBITDA ratio at year-end 2022 is 1.1 versus 2.0 at year-end 2021.

Year-end backlog

- Order backlog to be executed during calendar year 2023 amounts to US\$ 229.6 million vs US\$ 216.5 million last year (+6%).
- As most of the Company's long-term contracts were renegotiated at the end of 2021, order backlog amounts to US\$ 342.3 million at 2022 year-end vs US\$ 419.8 million at 2021 year-end.

Financial results

Revenue

(In thousands of US\$) - (unaudited)	Q4 2022 % change		Q4 2021		FY 2022 % change		FY 2021	
Reporting segment								
Mining.....	74,235	22 %	60,724	286,065	23 %		232,356	
Water.....	10,668	31 %	8,172	44,490	19 %		37,333	
Total revenue.....	84,903	23 %	68,896	330,555	23 %		269,689	
Geographic region								
North America.....	28,277	24 %	22,772	104,345	13 %		92,261	
Europe, Middle East and Africa.....	13,130	-30 %	18,889	68,275	-17 %		81,875	
South America.....	29,543	81 %	16,341	104,640	98 %		52,797	
Asia Pacific.....	13,954	28 %	10,894	53,295	25 %		42,756	
Total revenue.....	84,903	23 %	68,896	330,555	23 %		269,689	
Q4 2022								

Revenue for the quarter increased from US\$ 68.9 million in Q4 2021 to US\$ 84.9 million in Q4 2022 (+ 23%).

The increase in revenue in the Mining and Water segment is the result of the favorable market dynamics with long-term rolling contracts which were renegotiated and extended since 2021, coupled with the capacity of the Company to deliver.

The increase in the Mining segment of 22% is a combination of the resilient gold market and the continuing and growing demand for battery metals linked to the energy transition. Water services which increased by 31% is a fast-growing segment driven by environmental issues.

Activity in North America increased by 24% with revenue at US\$ 28.3 million in Q4 2022 compared to US\$ 22.8 million in Q4 2021. This increase is linked to long term contracts renewed during 2022 and continued activity throughout the year.

In the EMEA, revenue for the quarter was US\$ 13.1 million compared to US\$ 18.9 million in Q4 2021, a decrease of 30%. The activity in this region is affected by the political and economic uncertainties in Russia and Africa and by extreme weather conditions in CIS.

FY 2022

FY 2022 revenue was US\$ 330.6 million compared to US\$ 269.7 million in FY 2021, an increase of 23%. The increase in revenue is the result of a combination of a steady stream of demand for battery metals and water services and the capacity of the Company to deliver despite logistics and staffing issues.

Revenue in North America increased by 13% to US\$ 104.3 million in FY 2022 from US\$ 92.3 million in FY 2021, a growth driven by long term contracts which started during the period and continued throughout the year.

In EMEA, revenue decreased by 17%, to US\$ 68.3 million in FY 2022 from US\$ 81.9 million in FY 2021. The activity in this region is affected by the political and economic uncertainties in Russia and Africa. The decrease in activity in Russia was partially offset by successful new developments in Kazakhstan.

Revenue in South America increased by 98% to US\$ 104.6 million in FY 2022 (US\$ 52.8 million in FY 2021). This increase is mainly linked to the capacity of the Company to mobilize resources and deliver in the context of a fast-growing demand.

In Asia Pacific, FY 2022 revenue amounted to US\$ 53.3 million, an increase of 25% reflecting year over year increased demand and ability to develop broader collaboration with clients.

Gross profit

(In thousands of US\$) - (unaudited)	Q4 2022 % change Q4 2021 FY 2022 % change FY 2021					
Reporting segment						
Mining.....	16,214	88 %	8,645	59,963	52 %	39,342
Water.....	2,265	54 %	1,467	11,309	51 %	7,478
Total gross profit	18,479	83 %	10,112	71,272	52 %	46,820

Q4 2022

The Q4 2022 gross margin including depreciation within cost of sales was US\$ 18.5 million (or 21.8% of revenue) compared to US\$ 10.1 million (or 14.7% of revenue) in Q4 2021. This reflects the combination of solid operating performances, improved product mix and better absorption of fixed costs.

FY 2022

In the context of a solid demand and good operating performances and despite supply chain challenges and global inflationary pressures, margins continue to improve. Since 2021, the Company successfully renegotiated most of its long-term contracts including inflation protection clauses. The FY 2022 gross margin including depreciation within cost of sales increased by 52% year over year to US\$ 71.3 million (21,,.6% of revenue) from US\$ 46.8 million in FY 2021 (17.4% of revenue).

Selling, General and Administrative Expenses

(In thousands of US\$) - (unaudited) Q4 2022 % change Q4 2021 FY 2022 %change FY 2021

Selling, general and administrative expenses	6,477	11 %	5,825	24,888	10 %	22,693
--	-------	------	-------	--------	------	--------

Q4 2022

SG&A increased compared to the same quarter last year mainly due to the level of activity. As a percentage of revenue, SG&A decreased from 8.3% in Q4 2021 to 7.6% in Q4 2022.

FY 2022

SG&A increased by 10% compared to the same period last year. As a percentage of revenue, SG&A decreased from 8.4% to 7.5% of revenue.

Operating result

(In thousands of US\$) - (unaudited) Q4 2022 % change Q4 2021 FY 2022 % change FY 2021

Reporting segment

Mining	10,551	197 %	3,552	38,409	93 %	19,851
Water.....	1,451	97 %	735	7,975	87 %	4,276
Total operating profit / (loss)	12,002	180 %	4,287	46,384	92 %	24,127

Q4 2022

The operating profit reached US\$ 12.0 million, resulting in a US\$ 7.7 million increase thanks to the increased activity and improved margins.

FY 2022

The operating profit was US\$ 46.4 million in FY 2022, a US\$ 22.3 million improvement compared to FY 2021 as a result of the increase in activity and the continued control over the operations and SG&A expenses.

Financial position

The following table provides a summary of the Company's cash flows for FY 2022 and YTD Q3 2021:

(In thousands of US\$) FY 2022 FY 2021

Cash generated by operations before working capital requirements	66,543	43,041
Working capital requirements	(9,745)	(4,048)
Income tax paid	(9,302)	(6,764)
Purchase of equipment in cash	(20,042)	(18,586)
Free Cash Flow before debt servicing	27,454	13,643
Proceeds from issuance of bonds, net of issuance costs	-	95,564
Repayments of Bonds including costs paid	-	(96,125)
Repayments of borrowings and others	(7,932)	(4,906)
Interests paid	(10,068)	(3,210)
Acquisition of treasury shares	(1,032)	(552)
Dividends paid to non-controlling interests	(1,714)	(1,778)
Net cash generated / (used in) financing activities	(20,746)	(11,007)
Net cash variation	6,709	2,636
Foreign exchange differences	(1,224)	328
Variation in cash and cash equivalents	5,485	2,963
Cash and cash equivalents at the end of the period	29,409	23,924

In FY 2022, the cash generated from operations before working capital requirements amounted to US\$ 66.5 million compared to US\$ 43.0 million in FY 2021.

In FY 2022, the working capital requirement was US\$ 9.7 million compared to US\$ 4.0 million in the same period last year. The increase of the working capital requirement is a result of the activity's continuing ramp-up.

During the period, Capex totaled US\$ 20.0 million in cash compared to US\$ 18.6 million in FY 2021. Capex relates essentially to the acquisition of rigs, major rig overhauls, ancillary equipment and rods.

As at December 31, 2022, the maturity of financial debt can be analyzed as presented in the table below:

In thousands US\$ December 31,

2022

Credit lines 2,323

Long-term debt

Within one year 13,166

Between 1 and 2 years 10,112

Between 2 and 3 years 74,551

Between 3 and 4 years 109

Total 100,261

IFRS 16 5,308

Cash 29,409

Net Debt 76,161

As at December 31, 2022, cash and cash equivalents totaled US\$ 29.4 million compared to US\$ 23.9 million as at December 31, 2021. Cash and cash equivalents are mainly held at or invested within top tier financial institutions.

As at December 31, 2022, the net debt including operational lease obligations (IFRS 16) amounted to US\$ 76.2 million (US\$ 85.7 million as at December 31, 2021).

The Net debt to EBITDA ratio as at December 31, 2022 was 1.1 versus 2.0 at year-end 2021.

Bank guarantees as at December 31, 2022 totaled US\$ 9.4 million compared to US\$ 9.0 million as at December 31, 2021.

Strategy

The Company's strategy is to assist its customers in exploring or managing their deposits throughout the entire cycle, with a special focus on the life of mines extension activity. The Company intends to continue developing and growing its services across the world with a focus on stable jurisdictions, high tech drilling services, optimal commodities mix including battery metals and gold - with a significant presence in water related drilling services - and a gradual implementation of advanced digital applications. The Company expects to execute its strategy primarily through organic growth and targeted acquisitions.

The Company addressed the environmental, social and governance (ESG) requirements, and implements a pragmatic and measurable approach to ESG with quantitative KPIs to maximize improvement and efficiencies.

Currency exchange rates.

The exchange rates for the periods under review are provided in the Management's Discussion and Analysis of Q4 2022.

Non-IFRS measures

EBITDA represents Net income before interest expense, income taxes, depreciation, amortization and non-cash share based compensation expenses. EBITDA is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. The Company believes that the presentation of EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the drilling industry. EBITDA is not defined in IFRS and should not be considered to be an alternative to Profit for the period or Operating profit or any other financial metric required by such accounting principles.

Net debt corresponds to the current and non-current portions of borrowings and the consideration payable related to acquisitions, net of cash and cash equivalents.

Reconciliation of the EBITDA is as follows:

(In thousands of US\$)	Q4 2022	Q4 2021	FY 2022	FY 2021
(unaudited)				
	12,002	4,287	46,384	24,127
Operating profit / (loss).....	5,034	5,050	19,830	18,681
Depreciation expense	90	83	330	233
Non-cash employee share-based compensation.....	17,126	9,420	66,544	43,041
EBITDA	Q4 2022	Q4 2021	FY 2022	FY 2021

Conference call and webcast

On February 16, 2023, Company Management will conduct a conference call at 10:00 am ET to review the financial results. The call will be hosted by Daniel Simoncini, Chairman and co-CEO, and Jean-Pierre Charmensat, co-CEO and CFO.

To join the conference call without operator assistance, you may register and enter your phone number at <https://bit.ly/40EWChu> to receive an instant automated call back.

You can also join the call by dialing 1-888-664-6392 or 1-416-764-8659. You will be put on hold until the conference call begins. A live audio webcast of the Conference Call will also be available <https://app.webinar.net/9pxa0Vxmk6n>

Please connect at least 15 minutes prior to the Conference Call to ensure adequate time for any software download that may be needed to hear the webcast. An archived replay of the webcast will be available for 90 days.

About Foraco International SA

[Foraco International SA](#) (TSX: FAR) is a leading global mineral drilling services company that provides a comprehensive and reliable service offering in mining and water projects. Supported by its founding values of integrity, innovation and involvement, Foraco has grown into the third largest global drilling enterprise with a presence in 22 countries across five continents. For more information about Foraco, visit www.foraco.com.

"Neither TSX Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Exchange) accepts responsibility for the adequacy or accuracy of this release."

Caution concerning forward-looking statements

This document may contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. These statements and information include estimates, forecasts, information and statements as to Management's expectations with respect to, among other things, the future financial or operating performance of the Company and capital and operating expenditures. Often, but not always, forward-looking statements and information can be identified by the use of words such as "may", "will", "should", "plans", "expects", "intends", "anticipates", "believes", "budget", and "scheduled" or the negative thereof or variations thereon or similar terminology. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that any such forward-looking statements and information are not guarantees and there can be no assurance that such statements and information will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Factors" in the Company's Annual Information Form dated March 30, 2021, which is filed with Canadian regulators on SEDAR (www.sedar.com). The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to Foraco or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

SOURCE [Foraco International SA](#)

Contact

Fabien Sevestre (ir@foraco.com), Tel: (705) 495-6363

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/435857--Foraco-International-reports-strong-fourth-quarter-2022-and-record-full-year-results.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).