

# Energold Drilling Corp Announces Q4 2018 and Fiscal 2018 Results

27.04.2019 | [CNW](#)

Trading Symbol: "EGD: TSX.V"

VANCOUVER, April 26, 2019 - Energold Drilling Corp. (EGD: TSX.V) ("Energold" or "The Company" or "Energold Group") is pleased to announce its annual results for the year ended December 31, 2018 with a four-year high revenue of \$84.1 million from all business divisions, representing an increase of 12% on a year over year basis compared to 2017's \$75.0 million revenue. The continued revenue rebound can be attributed to a successful diversification and turnaround strategy the group has put in place since 2012 to mitigate the effects of a prolonged downturn in the mineral sector. In 2018, over 50% of revenues for Energold came from non-mining activities.

Positive EBITDA (earnings before interest, tax, depreciation & amortization) was achieved for the first three quarters of 2018, marking the first positive earnings since 2012. Q4 2018 was a challenging quarter due to lack of junior mining capital, seasonal delays in the oil sands combined with work start costs in the oil sands which culminated in a yearly EBITDA loss of \$2.9 million. This is a significant improvement from EBITDA loss of \$5.6 million in 2017 and a testament to improving commodities outlook, better margins and growing diversified segments of renewables and geothermal.

Despite a lukewarm recovery in mineral exploration, Energold's diversified sectors are growing.

In 2018, gross margin for the group was 17% compared to 14% in 2017 demonstrating a continued push for operational efficiency and resulting in better margins. Net loss for 2018 totaled \$14.6 million compared to a loss of \$17.6 million in 2017 and operating losses narrowed by 51% to \$6.9 million in 2018 from \$14.1 million in 2017. Looking forward, Energold believes 2019 will be conducive for higher EBITDA and earnings.

At the end of December 31, 2018, the Company had cash of \$5.0 million, trade and receivables of \$13.5 million, and net working capital of \$32.4 million. The working capital decrease was affected by the reclassification of \$10.8 million in inventory from current assets to long term assets and bank indebtedness of \$2.5 million becoming current in 2018.

Fred Davidson, CEO and President of Energold, commented as follows: "2018 signified a continual turnaround in the E story with the group achieving the first positive EBITDA in over six years and narrowing losses significantly for the full year. This strategically positions the group to continue to work towards achieving breakeven and net income in 2019 as our diversified business segments continue to demonstrate growth against a backdrop of tepid mineral exploration markets."

Quarter-to-date and year-to-date results comparison

CAD\$ (000s)	For three months ended Dec 31		For the year ended Dec 31	
	2018	2017	2018	2017
Revenue				
Mineral	6,512	10,948	39,275	45,294
Energy and infrastructure	7,164	5,056	35,034	22,681
Manufacturing	844	2,279	9,770	7,004
Total Revenue	\$14,520	\$18,283	\$84,079	\$74,979
Gross profit	897	1,709	14,074	10,800
Gross Margin %	6%	9%	17%	14%
Operating loss	(3,337)	(5,383)	(6,888)	(14,073)
Net loss	(7,370)	(5,918)	(14,602)	(17,598)
Amortization	633	2,125	6,013	8,384
Finance Cost	1,049	922	4,265	3,330
Current and deferred income tax expense (recovery)	456	(29)	1,453	266
EBITDA	\$(5,232)	\$(2,900)	\$(2,871)	\$(5,618)

#### MINERAL DRILLING DIVISION

In 2018, mineral revenues decreased to \$39.3 million in 2018 from \$45.3 million in 2017. Not surprisingly, S&P Global Intelligence quoted grassroots explorations budget at record decade lows at below 30% of global expenditures of \$9 billion which is barely above 2009 budgets.

This decrease in revenue for mineral drilling is impacted by the downturn of previous years and inability for most juniors and developers to access new capital. While there are positive signs in the industry and an improvement in exploration spending worldwide primarily in the development phase of mining, most of the early stage exploration juniors market remains relatively challenged.

The Company believes with the start of the mergers and acquisitions in the sector now underway, more efforts will be placed to upgrade reserves, replace reserves, or discover new projects in coming years which should benefit the mining division.

At December 31, 2018 the Company had 139 rigs in its mineral drilling fleet, many of which the Company has developed conversion kits to address evolving client needs beyond portable frontier drilling to reverse circulation, underground drilling, and even open-hole drilling.

#### Meters Drilled During the Quarter

Q4-2018 Q3-2018 Q2-2018 Q1-2018 Q4-2017

Meters Drilled

42,400

56,400

83,100

72,400

66,300



## OIL AND GAS, SUSTAINABLE DRILLING & INFRASTRUCTURE DIVISION

Diversified energy and infrastructure work this year brought in over \$35.0 million compared to \$22.7 million in 2017 which is a 54% increase. Continued strength, improving prices and the supply situation is buoyant for oil prices, resulting in strong oil sands and seismic activity of \$11.0 million in 2018 compared to \$9.6 million in 2017.

Energold's horizontal directional drilling ("HDD") division generated \$6.9 million in revenue in 2018, nearly doubling year over year compared to \$3.6 million in 2017. The HDD division captured the growing demand for technology, infrastructure connectedness, and telecommunication retrofit work around cities in North America, and there are additional markets in developing nations as well.

Meters drilled:

	For the three months ended Dec 31		For the year ended Dec 31	
	2018	2017	2018	2017
Infrastructure	15,100	11,500	58,700	43,700
Oil sands	6,700	7,000	29,200	19,900
Sustainable drilling	23,200	23,600	240,900	118,300
	45,000	42,100	328,800	181,900

## MANUFACTURING

Dando, Energold's manufacturing division's core business, remains challenging given the global slowdown in mining activities and thus mining related equipment. To combat operation losses, corporate restructuring for potential divestiture commenced in 2017 aiming at reducing fixed costs and streamlining production and product portfolio.

The manufacturing division demonstrated strong turnaround with new management, generating \$9.8 million in revenue, a 40% increase from 2017's \$7.0 million.

The turnaround process has seen early success with Dando achieving profitability for the first time in years early in 2018. In March 2019, Energold entered into a binding heads of agreement ("HoA") with a private UK company to acquire Dando. The new owners will fund Dando for up to an additional GBP 1,000,000 and own 51%, purchasing the remaining 49% for GBP 3.1 million (approximately \$5.35 million CAD) over a ten-year period. Additional information is available on the news release dated March 7, 2019.

## INDUSTRY OUTLOOK

The mining industry has seen several years of under expenditures resulting in a hollowing out of the mid-tier development projects feeding the need of grade and ore replacement trend for majors. As evident through recent mergers and acquisitions on the largest scale, the rush to explore and generate greenfield projects could soon increase which should benefit service companies such as Energold.

In the Canadian oil and gas sector, we have also seen a dramatic reversal of the collapse of the WCS price resulting from Alberta mandating production cuts which coupled with the resurgence of world oil prices is strongly positive for the sector. The Canadian oil sands is the third largest source of world oil reserves and

account for more than two-thirds of Canadian exports with increases forecasted out to 2035 according to CAPP. This entails considerable future drilling and well service programs.

The green and infrastructure drilling space continues to grow with significant data network upgrades throughout developed cities, energy efficiency upgrades, and public capital allocated to larger projects such as fiber optics network and high-speed network upgrades for \$4.7 billion in BC through to 2020.

A conference call to review financials is planned for Monday, April 29, 2019 at 4:00 p.m. Eastern Time. Dial-in numbers are 647-689-4231 or 1-833-297-9922. All our earnings calls are also archived online at [www.energold.com](http://www.energold.com) under the Investors tab and Earnings Calls Archive page.

## ABOUT ENERGOLD DRILLING

[Energold Drilling Corp.](#) is a leading global specialty drilling company that services the mining, energy, infrastructure, geothermal, water and manufacturing sectors in 24 countries. Specializing in a socially and environmentally sensitive approach to drilling, Energold provides a comprehensive range of drilling services from early stage exploration to onsite operations as well as manufacturing.

On behalf of the Directors of [Energold Drilling Corp.](#),

"Frederick W. Davidson"  
President, CEO

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

### Cautionary Note Regarding Forward-Looking Statements:

Some statements in this news release contain forward-looking information. These statements include, but are not limited to, statements with respect to proposed activities, work programs and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the effects of general economic conditions, a reduction in the demand for the Company's drilling services, the price of commodities, changing foreign exchange rates, actions by government authorities, the failure to find economically viable acquisition targets, title matters, environmental matters, reliance on key personnel, the ability for operational and other reasons to complete proposed activities. Financial Officer (604) 684-9500 additional email at [info@energold.com](mailto:info@energold.com), at 100-543  
Expenditures, [Vancouver, BC, Canada](#), [www.energold.com](http://www.energold.com), Telephone 604-684-9500, Facsimile 604-684-9500, [info@energold.com](mailto:info@energold.com)

---

Dieser Artikel stammt von [Rohstoff-Welt.de](#)  
**SOURCE Energold Drilling Group**

Die URL für diesen Artikel lautet:  
<https://www.rohstoff-welt.de/news/324638--Energold-Drilling-Corp-Announces-Q4-2018-and-Fiscal-2018-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 -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).