

# Coeur Reports Second Quarter 2020 Results

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## Provides Updated Full-Year 2020 Guidance

[Coeur Mining, Inc.](#) ("Coeur" or the "Company") (NYSE: CDE) today reported second quarter 2020 financial results, including revenue of \$154.2 million, cash flow from operating activities of \$9.9 million and GAAP net loss from continuing operations of \$1.2 million, or \$0.01 per share. On an adjusted basis<sup>1</sup>, the Company reported EBITDA of \$42.2 million, cash flow from operating activities prior to changes in working capital of \$16.4 million and net income from continuing operations of \$2.6 million, or \$0.01 per share.

## Key Highlights

- Successful restart of Palmarejo post-suspension - Coeur safely restarted its Palmarejo mine, following receipt of updated guidance from the Mexican government that precious metals mining is now considered an essential business activity. After being temporarily suspended for approximately 45 days, production began ramping up in June and is expected to continue increasing during the second half of the year
- Prepared to begin construction on upcoming expansion at Rochester - The Company received authorizations necessary to advance the expansion under Plan of Operations Amendment 11 ("POA 11") at Rochester. Coeur expects to commence construction on the project in early August 2020
- Strong operating and financial results at Kensington and Wharf - Kensington's gold production remained strong during the second quarter, helping to generate \$27.8 million<sup>2</sup> in operating cash flow and \$23.9 million<sup>2</sup> of free cash flow<sup>1</sup>, compared to \$11.9 million<sup>3</sup> and \$7.1 million<sup>3</sup>, respectively, in the prior period. Gold production at Wharf increased 60% quarter-over-quarter, leading to \$19.1 million and \$18.8 million in operating and free cash flow<sup>1</sup>, respectively, compared to \$2.6 million and \$2.2 million in the first quarter of 2020
- Aggressive investment in exploration - Coeur continued to execute its largest exploration program in Company history, investing \$13.0 million, a 60% increase over the prior period and approximately 90% higher than the second quarter of 2019. The Company plans to publish an exploration update in August 2020, outlining program highlights through the first half of the year
- Continued execution of hedging program to underpin expected cash flow - The Company took advantage of stronger gold prices to implement additional zero-cost collar ("ZCC") hedges to support the expected funding requirement for the POA 11 expansion at Rochester, targeting up to 50% of the Company's expected gold production in 2021 and 2022
- Higher cash position and successful debt reduction initiatives - Cash and cash equivalents totaled \$70.9 million at June 30, 2020, 34% higher than at the end of the first quarter of 2020. The Company also repaid \$90.0 million of its senior secured revolving credit facility ("RCF") using cash on hand, leaving a \$60.0 million balance at the end of the second quarter. Coeur intends to repay the remaining RCF balance by year-end from internally generated cash flow and expects cash to build over the coming quarters in preparation for the expansion at Rochester

"Like most companies, our second quarter results were negatively impacted by COVID-19. Most notably at Palmarejo, our strongest performing asset in the first quarter, operations were temporarily suspended due to a decree from the Federal government of Mexico. However, with Palmarejo now back in production, our three U.S. operations hitting their strides and the tailwind of higher gold and silver prices, we are anticipating a strong second half of 2020 and expect to continue this momentum into 2021," said Mitchell J. Krebs, President and Chief Executive Officer. "I would like to thank everyone at Coeur for working tirelessly under challenging circumstances to safely and responsibly deliver critical minerals that are essential to nearly every aspect of modern life. Their ongoing efforts have allowed the Company to be well positioned to benefit from higher gold and silver prices going forward."

Mr. Krebs continued, "Looking ahead over the coming quarters, we are excited about the direction we are headed as a company. We recently enhanced our team by bringing in Mick Routledge as our new Chief Operating Officer and appointing Terry Smith as our Chief Development Officer, which has provided us greater organizational bandwidth and a leadership structure that is better aligned with our strategy and key

priorities. Our top strategic priority is the POA 11 expansion at Rochester, which is expected to generate exponentially higher annual free cash flow and represents a fundamental inflection point for Coeur. Additionally, the success of our exploration programs and acquisitions made at much lower gold and silver prices provides a balanced pipeline of near-, medium- and long-term growth opportunities that we believe will unlock meaningful value for our stockholders.”

“With multiple key catalysts in the coming quarters, we plan to proactively update investors on our capital allocation decisions and their expected impact on the Company’s growth, costs and cash flow. We plan to publish an exploration update in August given the size and importance of our investment in exploration in 2020. We also intend to deliver the results of Rochester’s updated technical report in the fourth quarter that will detail the updated economics of this important expansion project,” concluded Mr. Krebs.

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