Itafos Reports Q4 2020 and Full Year 2020 Financial Results and Operational Highlights

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TORONTO, March 25, 2021 - Itafos (TSX-V: IFOS) (the "Company") reported today its Q4 2020 and full year 2020 financial results and operational highlights. The Company's financial statements and management's discussion and analysis for the three months and year ended December 31, 2020 are available under the Company's profile at www.sedar.com and on the Company's website at www.Itafos.com. All dollar values are in thousands of US Dollars except as otherwise noted.

"Despite many challenges throughout 2020, we delivered financial results in line with our expectations," said G. David Delaney, CEO of Itafos. "During the fourth quarter we began to see improvements in both the agricultural and phosphate fundamentals, which we expect to benefit our 2021 performance."

"In addition to the improved phosphate fundamentals, we put plans in place during the fourth quarter to optimize the cash returns of the business by looking at capital-lite alternatives to capital spending and our continuation of the company wide cost savings plans," added Mr. Delaney.

Highlights

For the year ended December 31, 2020:

- Revenue of $260,185 in 2020 compared to $339,430 in 2019; the decrease in 2020 was attributed to lost revenue resulting from product shortages due a sulfuric acid supply disruption and the idling of Arraias;
- Adjusted EBITDA of $15,047 in 2020 compared to 2019 adjusted EBITDA of $(3,203); the increase in 2020 was primarily due to cost savings following the idling of Arraias and implementation of corporate wide cost savings initiatives;
- Net loss of $(62,306) in 2020 compared to a net loss of $(144,171) in 2019, primarily related to lower impairments of non-current assets, lower depreciation and depletion and the same factors that resulted in improved adjusted EBITDA, which were partially offset by a write-off of mineral properties at Paris Hills;
- Sustained environmental, health and safety excellence at Conda and Arraias, including implementation of corporate-wide risk mitigation measures to address potential impacts to employees, contractors and operations as a result of the COVID-19 pandemic resulting in no significant impacts to operations;
- Completed a reduced scope plant turnaround at Conda during July 2020 as part of its risk mitigation measures during the COVID-19 pandemic with no environmental releases or recordable incidents;
- Significant disruption in sulfuric acid supply at Conda from its primary supplier through October 30, 2020;
- Total 2020 production volumes at Conda were 516,480t, representing a 10% decrease year-over-year primarily due to the disruption in sulfuric acid supply;
- Adjusted 2020 EBITDA at Conda of $34,336, a 2% decrease year-over-year primarily due to lower production volumes related to the disruption in sulfuric acid supply and lower realized prices, partially offset by lower cash costs;
- Significant progress in extending the Conda's mine life through permitting and development of H1/NDR, including:
    - achieved a key permitting milestone following the submittal of the Mine and Reclamation Plan to the BLM,
    - achieved a key permitting milestone following the submittal of the IAN by the BLM,
    - achieved a key permitting milestone following the publication of the NOI to prepare an EIS, which formally commences the NEPA EIS preparation and public engagement process by the BLM and the U.S. Department of Agriculture Forest Service, and
    - secured support from the Idaho legislature via House Joint Memorial #11, which passed unanimously as well as numerous letters of support from local and state officials.

For the three months ended December 31, 2020:

- Revenue of $75,075 in 2020 compared to $81,431 in 2019; the decrease in 2020 was attributed to lost revenue resulting from product shortages due to the disruption in sulfuric acid supply and the idling of Arraias;
- Adjusted EBITDA of $4,803 in 2020 compared to 2019 adjusted EBITDA of $(1,622), primarily a result of cost savings following the idling of Arraias;
- Net loss of $(2,489) in 2020 compared to a net loss in 2019 of $(88,465), primarily due to lower impairments of non-current assets, lower costs resulting from idling of Arraias and lower corporate-wide selling, general and administrative expenses due to implementation of corporate wide cost savings initiatives;
- Total 2020 production volumes at Conda of 145,665t, representing a 4% increase year-over-year primarily due to timing of the MAP+ production and higher APP production; and
- Adjusted EBITDA at Conda of $7,323 in 2020 compared to $8,213 in 2019, representing a 11% decrease year-over-year primarily due lower cash margin per tonne P_2O_5 due to higher input costs, which was partially offset by higher realized prices.

Financial Outlook

The Company is closely monitoring potential risks to its operations as a result of the COVID-19 pandemic, including factors that could impact production or demand for its products. Despite near-term uncertainties, the Company is not currently projecting any material impact on its operations or financial outlook as a result of the COVID-19 pandemic. The Company provides guidance on certain non-IFRS measures that management considers to evaluate the Company's operational and financial performance. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in Section 8 of the Company's management's discussion and analysis available under the Company's profile at www.sedar.com and on the Company's website at www.Itafos.com.

The Company's guidance for 2021 is as follows:

(in millions of US Dollars)	H1 2021	H2 2021	FY 2021
Adjusted EBITDA	$ 43-48	$ 37-42	$ 80-90
Maintenance capex	16-20	4-5	20-25
Growth capex	4-6	4-7	8-13
Free cash flow	15-21	10-14	25-35

The assumptions considered by the Company in preparing its guidance for 2021 are explained as follows:

- adjusted EBITDA considers latest outlook for pricing and key inputs at Conda, maintaining the idling of Arraias, maintaining Farim at construction ready state and costs related to other development and exploration projects and corporate;
- maintenance capex considers planned plant maintenance at Conda;
- growth capex considers activities related to extending Conda's mine life through permitting and development of H1/NDR and EBITDA optimization initiatives at Conda; and
- free cash flow considers cash from operating activities and cash from investing activities less cash growth capex.

Business Outlook

The Company is executing its strategy by focusing on:

- advancing capital raising initiatives;
- extending Conda's current mine life through advancing permitting and development of H1/NDR;
- optimizing Conda's EBITDA generation capability;
- maintaining the idling of Arraias following best practices while evaluating strategic alternatives;
- maintaining Farim at construction ready state while evaluating strategic alternatives;
- advancing the wind down of Paris Hills following the Company's decision to wind down the concession following completion of the Conda Technical Report, which defined H1/NDR as the Company's path forward for mine life extension at Conda; and
- advancing corporate-wide cost savings and capital-lite spending initiatives.

About Itafos

The Company is a phosphate and specialty fertilizer platform with strategic businesses and projects located in key fertilizer markets.

The Company's businesses and projects are as follows:

- Conda - a vertically integrated phosphate fertilizer business with production capacity of approximately 550kt per year of monoammonium phosphate ("MAP"), MAP with micronutrients ("MAP+"), superphosphoric acid ("SPA"), merchant grade phosphoric acid ("MGA") and ammonium polyphosphate ("APP") located in Idaho, US;
- Arraias - a vertically integrated phosphate fertilizer business with production capacity of approximately 500kt per year of single superphosphate ("SSP"), SSP with micronutrients ("SSP+") and approximately 40kt per year of excess sulfuric acid located in Tocantins, Brazil;
- Farim - a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- Santana - a vertically integrated high-grade phosphate mine and fertilizer plant project located in Par?, Brazil;
- Arax? - a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil;
- Paris Hills - a high-grade phosphate mine project located in Idaho, US; and
- Mantaro - a phosphate mine project located in Junin, Peru.

The Company's principal shareholder is CL Fertilizers Holding LLC ("CLF"). CLF is an affiliate of Castlelake, L.P., a global private investment firm.

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the trading symbol "IFOS". The Company's registered office is at Ugland House, Grand Cayman, Cayman Islands KY1-1104.

For more information, or to join the Company's mailing list to receive notification of future news releases, please visit the Company's website at www.Itafos.com.

Non-IFRS Financial Measures

The Company considers both IFRS and certain non-IFRS measures to assess performance. Non-IFRS measures are a numerical measure of a company's performance, that either include or exclude amounts that are not normally included or excluded from the most directly comparable IFRS measures. In evaluating non-IFRS measures, investors, analysts, lenders and others should consider that non-IFRS measures do not have any standardized meaning under IFRS and that the methodology applied by the Company in calculating such non-IFRS measures may differ among companies and analysts. The Company believes the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others in order to evaluate the Company's operational and financial performance. These non-IFRS financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS.

The Company define its non-IFRS measures as follows:

- "EBITDA" as earnings before interest, taxes, depreciation, depletion and amortization;
- "Adjusted EBITDA" as EBITDA adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities;
- "Total capex" as additions to property, plant and equipment and mineral properties adjusted for additions to asset retirement obligations, additions to right of use assets and capitalized interest;
- "Maintenance capex" as that portion of total capex relating to maintenance of ongoing operations of the Company;
- "Growth capex" as that portion of total capex relating to development of growth opportunities of the Company;
- "Realized price" as revenues divided by sales volumes;
- "Revenues per tonne P_2O_5" as revenues divided by sales volumes presented on P_2O_5 basis;
- "Cash costs" as cost of goods sold less net realizable value adjustments, depreciation, depletion and amortization;

- "Cash cost per tonne P_2O_5" as cash costs divided by sales volumes presented on P_2O_5 basis.
- "Cash margin" as revenues less cash costs; and
- "Cash margin per tonne P_2O_5" as revenues per tonne P_2O_5 less cash costs per tonne P_2O_5.

Forward-Looking Information

Certain information contained in this news release constitutes forward-looking information. All information other than information of historical fact is forward-looking information. Statements that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future include, but are not limited to, statements regarding estimates and/or assumptions in respect of the Company's financial and business outlook are forward-looking information. The use of any of the words "intend", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "would", "believe", "predict" and "potential" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that this information will prove to be correct and such forward-looking information included in this news release should not be unduly relied upon.

Forward-looking information is subject to a number of risks and other factors that could cause actual results and events to vary materially from that anticipated by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to, the duration and spread of the COVID-19 pandemic and its severity; uncertainties of estimates of capital and operating costs and production estimates; the ability of the Company to meet its financial obligations and minimum commitments, fund capital expenditures and comply with covenants contained in the agreements that govern indebtedness; the Company's ability to advance capital raising objectives; fluctuations in foreign exchange or interest rates and stock market volatility; the continued supply of sulfuric acid supply at Conda from its primary supplier and those risk factors set out in the Company's management discussion and analysis and other disclosure documents available under the Company's profile at www.sedar.com and on the Company's website at www.Itafos.com. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive. The forward-looking information included in this news release is expressly qualified by this cautionary statement and is made as of the date of this news release. The Company undertakes no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

This news release contains future oriented financial information and financial outlook information (together, "FOFI") about the Company's prospective results of operations, including statements regarding expected adjusted EBITDA, maintenance capex, growth capex and free cash flow. FOFI is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The Company has included the FOFI to provide an outlook of management's expectations regarding anticipated activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's reasonable estimates and judgements; however, actual results of operations and the resulting financial results may vary from the amounts set forth herein. Any financial outlook information speaks only as of the date on which it is made and the Company undertakes no obligation to publicly update or revise any financial outlook information except as required by applicable securities laws.

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For further information, please contact:

Itafos Investor Relations
investor@Itafos.com
www.Itafos.com

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