

# Centamin PLC Announces 2021 Interim Results

05.08.2021 | [ACCESS Newswire](#)

PERTH, August 5, 2021 - [Centamin Plc](#) ('Centamin' or 'the Company') (LSE:CEY)(TSX:CEE)

INTERIM REPORT for the six months ended 30 June 2021

MARTIN HORGAN, CEO, COMMENTED: "Centamin has delivered a strong performance against plans in the first half ('H1') of the year, driven by our continued focus on cost control, operating efficiencies and productivity gains. We remain on track to meet full year cost and production guidance and our key capital projects continue to progress on schedule. The Company is financially robust with US\$312 million in cash and liquid assets, providing the flexibility to invest in the long-term future of our flagship asset, Sukari, and continue to develop our active growth pipeline in Egypt and Côte d'Ivoire."

## FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2021 ('H1') was US\$367.4 million from gold sales of 203,802 ounces ('oz') at an average realised gold price of US\$1,799/oz
- Operations, supply chain and gold shipments have not been materially impacted by the COVID-19 pandemic. Related COVID-19 costs were US\$6.5 million and within budget
- Cash cost of production was US\$807/oz produced and all-in sustaining costs ('AISC') were US\$1,186/oz sold
- EBITDA was US\$190.4 million with a 52% EBITDA margin
- Profit before tax was US\$116.8 million and net profit after tax attributable to shareholders was US\$59.5 million, for a basic EPS of 5.16 US cents
- Capital expenditure was US\$78.3 million as good progress was made on key capital projects such as the solar plant, second tailings storage facility, paste-fill plant, workforce accommodation and facility upgrades
- The Board has declared an interim dividend of 4.0 US cents per share (US\$46.3 million), to be paid to shareholders on 30 September 2021
- Better than budgeted Group free cash flow of US\$16.2 million, after US\$56.7 million was distributed in profit share and royalties to our partner, the Arab Republic of Egypt
- Strong and flexible balance sheet with available cash and liquid assets of US\$312.1 million, as at 30 June 2021 and after payment of the 2020 final dividend of US\$34.5 million on 15 June 2021.

## OUTLOOK

On track to meet full year guidance

- 2021 gold production and cost guidance maintained: 400,000 to 430,000 oz at cash costs of US\$800-900/oz produced and AISC of US\$1,150- 1,250/oz sold
- Unchanged 2021 capex guidance of US\$225 million and exploration expenditure of US\$17 million
- Doropo (Côte d'Ivoire) pre-feasibility study ('PFS') for is underway and scheduled for completion by H2 2022
- Recently agreed exploration licence terms for a total 3,164km<sup>2</sup> land package in Egypt's Arabian Nubian Shield subject to final legal formalities expected to be completed in Q3
- Process continues in assessing the strategic opportunities for non-core asset Batie West (Burkina Faso), including possible disposal.

## MILESTONES

- 23 September 2021 Geology Capital Markets Event: Our approach to unlocking value from the portfolio
- 30 September 2021 Payment of 2021 Interim Dividend (Ex-div date 2 September)
- 19 October 2021 Q3 2021 Report
- Q4 2021 Sukari Life of Asset (Phase 2) optimisation results

## GROUP FINANCIAL SUMMARY

	units	Year on Year ("YoY") comparative		
		H1 2021	H1 2020	%
Gold produced	oz	204,275	256,084	(20%)
Gold sold	oz	203,802	270,529	(25%)
Cash cost	US\$'000	164,774	164,286	0%
Unit cash cost	US\$/oz produced	807	642	26%
AISC	US\$'000	241,705	243,225	(1%)
Unit AISC	US\$/oz sold	1,186	899	32%
Average realised gold price	US\$/oz	1,799	1,657	9%
Revenue	US\$'000	367,404	448,754	(18%)
EBITDA	US\$'000	190,427	256,172	(26%)
Profit before tax	US\$'000	116,794	192,549	(39%)
Profit after tax attributable to the parent	US\$'000	59,484	74,816	(20%)
Basic EPS	US cents	5.16	6.49	(21%)
Operating cash flow	US\$'000	141,764	254,330	(44%)
Capital expenditure	US\$'000	78,312	51,731	51%
Free cash flow	US\$'000	16,195	101,610	(84%)

## WEBCAST PRESENTATION AND CONFERENCE CALL

The Company will host a webcast presentation and conference call today, Thursday, 5 August 2021 at 9.30 BST to discuss the results, followed by an opportunity to ask questions. The 2021 Interim Results presentation should be taken in conjunction with this announcement and can be found on the website: [www.centamin.com/investors/presentations-webcasts/](http://www.centamin.com/investors/presentations-webcasts/).

A replay will be made available on the Company website.

Webcast link: <https://www.investis-live.com/centamin/60ded8e70ed69a0a00290d6e/nvms>

Conference call dial-in telephone numbers:

United Kingdom +44 (0) 203 936 2999  
 United States +1 646 664 1960  
 South Africa +27 (0) 87 550 8441  
 All other locations +44 (0) 203 936 2999  
 Participation access code: 835947

PRINT-FRIENDLY VERSION of the half-year results: [www.centamin.com/media/press-releases/2020](http://www.centamin.com/media/press-releases/2020)

FOR MORE INFORMATION

Please visit the website [www.centamin.com](http://www.centamin.com) or contact:

[Centamin Plc](#)

Buchanan

Alexandra Barter-Carse, Corporate Communications Bobby Morse / Kelsey Traynor

+44 (0) 7700 713 738

+ 44 (0) 20 7466 5000

[investor@centaminplc.com](mailto:investor@centaminplc.com)  
[investor@centaminplc.com](mailto:investor@centaminplc.com)

[centamin@buchanan.uk.com](mailto:centamin@buchanan.uk.com)

## ENDNOTES

### Guidance

The Company actively monitors the developments of the COVID-19 pandemic and guidance may be impacted if the workforce or operation are disrupted.

### Financials

Half year financial data points included within this report are unaudited. Full year financial data points included within this report are audited

### Non-GAAP measures

This statement includes certain financial performance measures which are not GAAP measures as defined under International Financial Reporting Standards (IFRS). These include Cash costs of production, AISC, adjusted EBITDA, Cash and liquid assets, and Free cash flow. Management believes these measures provide valuable additional information for users of the financial statements to understand the underlying trading performance. Definitions and explanation of the measures used along with reconciliation to the nearest IFRS measures are detailed in the Company's 2020 Annual Report <https://www.centamin.com/investors/results-reports/>.

### Profit after tax attributable to the parent

Centamin profit after the profit share split with the Arab Republic of Egypt.

### Royalties

Royalties are accrued and paid six months in arrears.

### Cash and liquid assets

Cash and liquid assets include cash, bullion on hand, gold sales receivables and financial assets at fair value through profit or loss.

### Movements in inventory

Movement in inventory on ounces produced is the movement in mining stockpiles and ore in circuit while the movement in inventory on ounces sold is the net movement in mining stockpiles, ore in circuit and gold in safe inventory.

### Gold produced

Gold produced is gold poured and does not include gold-in-circuit at period end.

### Forward-Looking Statements

This announcement (including information incorporated by reference) contains 'forward-looking statements' and 'forward-looking information' under applicable securities laws (collectively, 'forward-looking statements'), including statements with respect to future financial or operating performance. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'believes',

'expects', 'expected', 'budgeted', 'forecasts' and 'anticipates'. Although Centamin believes that the expectations reflected in such forward-looking statements are reasonable, Centamin can give no assurance that such expectations will prove to be correct. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Centamin about future events and are therefore subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. In addition, there are a number of factors that could cause actual results, performance, achievements or developments to differ materially from those expressed or implied by such forward-looking statements; the risks and uncertainties associated with the ongoing impacts of COVID-19 or other pandemic, general business, economic, competitive, political and social uncertainties; the results of exploration activities and feasibility studies; assumptions in economic evaluations which prove to be inaccurate; currency fluctuations; changes in project parameters; future prices of gold and other metals; possible variations of ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; climatic conditions; political instability; decisions and regulatory changes enacted by governmental authorities; delays in obtaining approvals or financing or completing development or construction activities; and discovery of archaeological ruins. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Forward-looking statements contained herein are made as of the date of this announcement and the Company disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Accordingly, readers should not place undue reliance on forward-looking statements.

LEI: 213800PDI9G7OUKLPV84

Company No: 109180

## CEO'S REVIEW

(H1 2021 vs H1 2020)

I am delighted to be able to update you on the Company's substantial progress made in the first half of this year ('H1'). It has been a period of delivery - delivery towards our stated goals and plans which we outlined at the Company's capital markets event in December 2020.

Sukari has delivered a strong financial and operating performance in H1, driven in part by our continued focus on improving operating efficiencies and productivity. Gold production was 204,275 ounces at AISC of US\$1,186/oz. Although this represented a 20% decrease in production and 32% increase in costs per ounce sold compared to the corresponding six months in 2020 ('YoY'), these results align with the Life of Asset Phase 1 reset in December, and both metrics are tracking ahead of schedule for 2021 and we remain on track to meet full year guidance.

Our top priority will always be to protect the health and wellbeing of our workforce and safeguard our assets and local communities. Our COVID-19 protocols remain in place and thus far Centamin has not experienced any material disruptions to production, sales or supply chain at Sukari or the exploration projects in West Africa. Operating safely is paramount to our day-to-day conduct and where we target a zero-harm workplace, we reported a 38% improvement in LTIFR in H1.

Furthermore, H1 marked significant progress on our strategic objectives, including the completion of our West African portfolio review which identified Doropo in Côte d'Ivoire as Centamin's next potential mine and we secured 3,164km<sup>2</sup> of new exploration ground in Egypt's Arabian Nubian Shield. Employees remain pivotal to our success and the launch of our Centamin Capability Framework is a key initiative designed to attract talent and develop our workforce to deliver continued operational improvements.

At Centamin, we are building a culture of continuous improvement. The outperformance within the open pit is a great example of this. In H1, amongst several initiatives, we commenced the Sukari accelerated waste-stripping programme to improve operating flexibility and provide improved confidence in production delivery. During H1 we performed excellently, delivering record material moved from our owner operator fleet, with the team outperforming the scheduled tonnes moved by 5Mt for a record 48Mt total material

moved for H1. A total 2Mt was contributed by Capital Ltd, our waste contract-miner, who also outperformed their budget having mobilised equipment and personnel significantly ahead of schedule and delivering productivity ahead of schedule. Driven by a focus on operational performance, this sustainable outcome will help deliver our vision to reset Sukari more quickly than planned and at a reduced cost to the business.

These initiatives, underpinned by the resilience of our balance sheet, are aimed at unlocking greater value from Sukari, define and develop both near- and medium-term growth and diversification opportunities across the portfolio and ultimately deliver tangible returns to our stakeholders.

I would like to congratulate and thank everyone who works for and with Centamin - you are our most important asset. Despite the continued headwinds caused by the COVID-19 pandemic our team has been able to deliver these fantastic results. A flexible and adaptable approach implemented by our strengthened team will enable us to maintain our momentum into the second half of 2021 and beyond as we strive to deliver our vision for Centamin as a diversified multi-asset producer.

## VALUE MAXIMISATION AT SUKARI

Favourable gold pricing and our ongoing cost control programme, drove better than expected revenue, EBITDA and free cash flow generation. The average realised gold price increased 9% to US\$1799/oz. Fuel prices have increased 23% in H1 but remain below our budgeted forecast for the year and we have not seen significant cost inflation emerge throughout the first half. We are proactively managing our productivity and cost base through several initiatives as part of our programme to remove US\$100 million in costs over the period of 2020 to 2023.

In December 2020, following completion of the Life of Asset Phase 1, we announced a three-year reset plan for Sukari, including reduced production volumes and elevated capital expenditure in the short term to achieve long term sustainability and consistency of gold production. During H1, all our key capital projects progressed on or ahead of schedule:

- Life of Asset ('LOA') Phase 2 (on track): Following completion of the Life of Asset ('LOA') Phase 1 in December 2020, the LOA Phase 2 is on track for completion in Q4. The work programmes progressed throughout H1, with the intention of identifying potential opportunities for further improvements across the Sukari operations over the long-term. Excellent progress was made geologically with the reinterpretation of the Sukari orebody. This comprehensive relogging programme will underpin the LOA Phase 2, identifying growth opportunities and enabling more robust mine planning and operational delivery going forward.
- Waste Stripping Programme (outperformed): The waste stripping programme is key to improving medium to long term operating flexibility in the open pit. A record total of 41Mt of waste material was moved in the open pit, 7Mt more than scheduled. This is testament to the owner-operator team at Sukari delivering improved operating efficiencies including better fleet utilisation, better blasting and fragmentation, and further supported by the quick mobilisation and ramp up from Capital Ltd, our contract-miner.
- 36MW Sukari Solar Project (on track): Construction has commenced on this flagship project which forms a key component of our greenhouse gas reduction and cost saving strategy. Project preparation works were completed, including the appointment of EPC contractors, juwi AG and Giza Systems, as was the design work and construction of the new high voltage switchgear. Project construction will commence in Q3, ahead of completion in H1 2022.
- Second Tailings Storage Facility ('TSF2') (outperformed): TSF2 was commissioned in February with a staged build programme to ensure a two-year dam capacity is maintained.
- Workforce Accommodation & Facilities (on track): New workforce accommodation and facilities, including 360 new rooms constructed and 75% occupied. The new AstroTurf football pitch and gymnasium are under construction ahead of completion in H2.
- Underground Paste Backfill Plant (on track): Preparatory works were well advanced in H1 ahead construction commencing at the end of H2 2021 and commissioning in H2 2022.

## GROWTH & DIVERSIFICATION

Building a strong active growth pipeline is central to our strategy, while maintaining our capital allocation discipline. The positive preliminary economic study at Doropo, exploration potential at the earlier stage ABC and now more than 3,000km<sup>2</sup> of highly prospective ground in Egypt's Arabian Nubian Shield, demonstrate the quality and potential of our portfolio.

- Egyptian Bid Round: Subject to final legal formalities which are expected to be completed in Q3, Centamin has agreed exploration terms with the Egyptian Ministry of Petroleum & Natural Resources and the Egyptian Mineral Resource Authority ('EMRA') for three blocks (incorporating 19 licenses) covering 3,164 km<sup>2</sup>. We look forward to working closely with our partners at EMRA and the Egyptian government as we and other leading gold miners seek to assist Egypt in establishing a competitive framework for the fiscal terms of the exploitation phase that would follow any commercial discoveries.
- Doropo Project, Côte d'Ivoire: The positive preliminary economic assessment has prioritised the Doropo Project as having the potential scale and economic returns to become Centamin's second mine. Our highly experienced team has proven expertise at delivering successful gold projects in West Africa. The PFS is underway and scheduled for completion mid-2022.
- Sukari Concession Exploration has been focussed on the identification and ranking of targets across the Sukari 160km<sup>2</sup> license area. Work has included desktop data reviews, field mapping, and soil and rock chip sampling ahead of a 10,000 metre Sukari Concession drill programme to commence in Q4. In addition, good progress was made arranging the logistics to fly an airborne geophysics survey including VTEM and ZTEM, at the end of 2021.
- Batie West, Burkina Faso: The West African strategic review demonstrated that while there is a viable project at Batie West it does not meet Centamin's investment criteria, and as a result, the Board approved the assessment of third-party development options for its exploration programme in Burkina Faso. A process has been initiated to locate potential partners or a buyer(s) for the Batie West project and as such the associated assets and liabilities were consequently presented as held for sale in the statement of financial position and discontinued operations in the statement of comprehensive income in the 30 June 2021 financial statements.

## STAKEHOLDER RETURNS

Fundamental to Centamin's success, and delivery of our Purpose to create opportunities for people through mining, is the establishment of broad socio-economic partnerships with our stakeholders, good governance, ethical conduct, and transparency. Under the terms of the Sukari Concession Agreement, the Arab Republic of Egypt earned US\$57 million in profit share and royalty payments. I am grateful for the open engagement and collaborative partnership we've built with our Egyptian government partners. We share a vision to responsibly develop Egypt's nascent gold industry, which has significant potential within the Arabian Nubian Shield as one of the last known but significantly underexplored gold provinces globally.

## Workforce Development

Our most important stakeholder group are our people. In 2020, we started developing the Centamin Capability Framework, focussed on the development of our team, which includes succession planning and training needs analysis to ensure we are attracting the best talent, developing the required skills and empowering the workforce with the knowledge and tools to deliver operational excellence. Several components of the Centamin Capability Framework were implemented in H1:

- Leadership Development Programme: aligned with our target to reach 77% of Sukari leadership roles held by Egyptian nationals, Centamin have partnered with the Future Institute of Australia to provide accredited and bespoke leadership training up to 140 Egyptian employees, identified current and future leaders at Sukari.
- Employee Development Pathway: a bespoke internal framework to develop our entry level workforce to proficient level, with clear performance criteria and competency-based assessment to maximise career progression and identify skills gap.
- Vocational Education & Training ('VET'): As part of a wider programme and in partnership with Fortress Learning in Australia, 20 Sukari trainers (expatriates and nationals) have completed the Certificate IV Training and Assessment course and received the Australian accredited qualification, enabling them to train other trainers internally.

## Local Economic Partnerships

Centamin is always looking for opportunities to prioritise and support local businesses within our countries of operation. Over 60% of the Sukari goods and services are procured within Egypt, including more recently the contractual appointment of Giza Systems on the solar; UCF-Egypt for the recycled grinding media; and Aresco for the fabrication of the high-performance truck trays.

## Interim Dividend

For 2021, the Board reiterates its intention to recommend a minimum dividend of US\$105 million. Today, the Board declares a 4.0 US cent interim dividend to be paid on 30 September, leaving an approximate 5.0 US cent final dividend to be proposed with the 2021 full year results. This reflects the Company's confidence in the outlook for the year, and progress delivering on the reset plans.

## OUTLOOK

The first half has been a great period of delivery. I'd like to thank our employees and partners for their dedication to ensuring business continuity. Thanks to these efforts, the Company is on track to achieve full year production and cost guidance.

Centamin is an established long life, cash generative business which offers sector leading dividend returns to shareholders, balanced with active investment to drive future growth through a series of identified opportunities in Egypt and West Africa. The Company has a strong balance sheet with US\$312 million of available cash and liquid assets as at 30 June 2021, with no debt, hedging or streaming instruments, thereby offering shareholders pure exposure to the gold price.

We look forward to delivering continued operating results, taking advantage of a promising gold price environment and expect continued strong progress with our capital projects and exploration programmes in the second half.

MARTIN HORGAN  
CEO

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