

Corsa Coal Announces Financial Results for Third Quarter 2021

03.11.2021 | [CNW](#)

FRIEDENS, Nov. 3, 2021 - [Corsa Coal Corp.](#) (TSXV: CSO) (OTCQX: CRSXF) ("Corsa" or the "Company"), a premium quality metallurgical coal producer, today reported financial results for the three and nine months ended September 30, 2021. Corsa has filed its unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020 and related management's discussion and analysis under its profile on [www.sedar.com](#).

Unless otherwise noted, all dollar amounts in this news release are expressed in United States dollars and all ton amounts are short tons (2,000 pounds per ton). Pricing and cost per ton information is expressed on a free-on-board, or FOB, mine site basis, unless otherwise noted.

Third Quarter 2021 Highlights

- Key financial results and operational statistics are shown below:

	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
(in millions except per share, per ton and sales tons)	2021	2020	2021	2020
Net and comprehensive income (loss)	\$ 0.9	\$ (3.6)	\$ (1.3)	\$ (50.7)
Non-cash asset impairment adjustment (included above)	\$ -	\$ -	\$ -	\$ (41.7)
Diluted earnings (loss) per share	\$ 0.01	\$ (0.04)	\$ (0.01)	\$ (0.47)
Adjusted EBITDA ⁽¹⁾	\$ 4.1	\$ (4.8)	\$ 7.0	\$ 5.8
EBITDA ⁽¹⁾	\$ 6.2	\$ 1.8	\$ 13.3	\$ (32.6)
Cash (used in) provided by operating activities	\$ 4.2	\$ (10.3)	\$ 3.0	\$ 10.9
Total revenue	\$ 36.4	\$ 23.6	\$ 91.4	\$ 111.7
Average realized price per ton of metallurgical coal sold ⁽¹⁾	\$ 112.75	\$ 66.54	\$ 97.46	\$ 81.73
Cash production cost per ton sold ⁽¹⁾	\$ 92.24	\$ 77.15	\$ 83.00	\$ 70.13
Company produced sales tons	286,678	286,944	828,260	1,008,622
Value added services sales tons	11,760	617	31,833	32,619
Sales and Trading sales tons	-	-	-	136,663
Total sales tons	298,438	287,561	860,093	1,177,904

- Corsa's average realized price for the third quarter 2021 is the approximate equivalent of between \$174 to \$179 per metric ton on an FOB vessel basis⁽²⁾. For the third quarter 2021, Corsa's sales mix included 41% of sales to domestic customers and 59% of sales to international customers.
- In the third quarter 2021, the Company's U.S. subsidiaries, Wilson Creek Holdings, Inc. and Wilson Creek Energy, LLC, received full forgiveness of the Paycheck Protection Program loans received in April 2020. The Company previously recognized \$7.2 million of grant income in the three months ended September 30, 2020 and the remaining \$1.1 million was recognized as grant income in the three months ended September 30, 2021.

(1) This is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.

(2) Similar to most U.S. metallurgical coal producers, Corsa reports sales and costs per ton on an FOB mine site basis and denominated in short tons. Many international metallurgical coal producers report prices and costs on a delivered-to-the-port basis (or "FOB vessel basis"), thereby including freight costs between the mine and the port. Additionally, Corsa reports sales and costs per short ton, which is approximately 10% lower than a metric ton. For the purposes of this figure, we have used an illustrative freight rate of \$45-\$50 per short ton. Historically, freight rates rise and fall as market prices rise and fall. As a note, most published indices for metallurgical coal report prices on a delivered-to-the-port basis and denominated in metric tons. Bob Schneck, President and Chief Executive Officer of Corsa, commented, "The third quarter of 2021 appears to have marked a turning point for Corsa as the metallurgical coal market rebounded, spot pricing continued to rise and our mines started to return to pre-pandemic operating levels. We started to see the impact of the strong spot market for our low volatile metallurgical coal during the third quarter of 2021 and our average selling price increased accordingly. The majority of our shipments during the quarter, however, were delivered to customers with below market contracts. Our average selling price is expected to rise as all of these below market contracts expire by the end of this year."

"Our cash costs per ton sold increased significantly during the quarter due to: (1) planned outages which lowered production and increased repair and maintenance expenditures, (2) challenging conditions at two of our underground mines that slowed advance rates and increased costs, (3) a reduction in lower cost surface mine production as we transitioned our Schrock Run surface mine to a new mining area, and (4) the inefficiencies associated with hiring and training new, less experienced, employees. Corsa is committed to making the investments in our people and our assets that will position us to take full advantage of the improved metallurgical coal market and to generate the returns for our shareholders."

Financial and Operations Summary

	For the three months ended September 30,			For the three months ended September 30,		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
(in thousands)						
Revenues	\$ 36,380	\$ 23,586	\$ 12,794	\$ 91,425	\$ 111,651	\$ (20,226)
Cost of sales	\$ 35,448	\$ 32,004	\$ 3,444	\$ 92,238	\$ 117,502	\$ (25,264)
Cost of sales - asset impairment	-	-	-	-	41,684	(41,684)
Total cost of sales ⁽²⁾	\$ 35,448	\$ 32,004	\$ 3,444	\$ 92,238	\$ 159,186	\$ (66,948)
Selling, general and administrative expense	\$ 2,293	\$ 2,507	\$ (214)	\$ 6,523	\$ 7,060	\$ (537)
Net and comprehensive loss for the period	\$ 933	\$ (3,579)	\$ 4,512	\$ (1,347)	\$ (50,681)	\$ 49,334
Cash provided by operating activities	\$ 4,231	\$ (10,327)	\$ 14,558	\$ 2,976	\$ 10,882	\$ (7,906)
EBITDA ⁽¹⁾	\$ 6,214	\$ 1,820	\$ 4,394	\$ 13,310	\$ (32,563)	\$ 45,873
Adjusted EBITDA ⁽¹⁾	\$ 4,125	\$ (4,839)	\$ 8,964	\$ 6,967	\$ 5,821	\$ 1,146
Coal sold - tons						
NAPP - metallurgical coal	298	288	10	860	1,178	(318)

⁽¹⁾ This is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.

⁽²⁾ Cost of sales consists of the following:

(in thousands)	For the three months ended		For the nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
Mining and processing costs	\$ 24,628	\$ 21,012	\$ 64,685	\$ 66,147
Purchased coal costs	1,529	39	4,002	13,613
Royalty expense	1,775	1,509	4,222	5,204
Amortization expense	4,670	4,966	12,726	16,490
Transportation costs from preparation plant to customer	1,570	3,426	4,294	12,835
Idle mine expense	190	129	493	294
Tolling costs	281	221	518	793
Change in estimate of reclamation provision	-	-	-	278
Limestone costs	282	(24)	708	316
Write-off of advance royalties and other assets	-	65	-	484
Other costs	523	661	590	1,048
Cost of sales	\$ 35,448	\$ 32,004	\$ 92,238	\$ 117,502
Cost of sales - asset impairment	\$ -	\$ -	\$ -	\$ 41,684
Total cost of sales	\$ 35,448	\$ 32,004	\$ 92,238	\$ 159,186

	For the three months ended September 30,			For the nine months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Realized price per ton sold ⁽¹⁾						
NAPP - metallurgical coal	\$ 112.75	\$ 66.54	\$ 46.21	\$ 97.46	\$ 81.73	\$ 15.73
Cash production cost per ton sold ⁽¹⁾⁽²⁾						
NAPP - metallurgical coal	\$ 92.24	\$ 77.15	\$ (15.09)	\$ 83.00	\$ 70.13	\$ (12.87)
Cash cost per ton sold ⁽¹⁾⁽³⁾						
NAPP - metallurgical coal	\$ 92.55	\$ 77.01	\$ (15.54)	\$ 83.03	\$ 71.63	\$ (11.40)
Cash margin per ton sold ⁽¹⁾						
NAPP - metallurgical coal	\$ 20.20	\$ (10.47)	\$ 30.67	\$ 14.43	\$ 10.10	\$ 4.33
EBITDA ⁽¹⁾ (000's)						
NAPP	\$ 7,140	\$ 2,569	\$ 4,571	\$ 16,241	\$ (30,140)	\$ 46,381
Corporate	(926)	(749)	(177)	(2,931)	(2,423)	(508)
Total	\$ 6,214	\$ 1,820	\$ 4,394	\$ 13,310	\$ (32,563)	\$ 45,873
Adjusted EBITDA ⁽¹⁾ (000's)						
NAPP	\$ 4,828	\$ (4,346)	\$ 9,174	\$ 9,147	\$ 7,729	\$ 1,418
Corporate	(703)	(493)	(210)	(2,180)	(1,908)	(272)
Total	\$ 4,125	\$ (4,839)	\$ 8,964	\$ 6,967	\$ 5,821	\$ 1,146

(1) This is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.

(2) Cash production cost per ton sold excludes purchased coal. This is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.

(3) Cash cost per ton sold includes purchased coal. This is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.

Coal Pricing Trends and Outlook

Price levels opened the third quarter 2021 at \$198.00/metric ton ("mt") delivered-to-the-port ("FOBT") for spot deliveries of Australian premium low volatile metallurgical coal and closed the quarter at \$388.50/mt FOBT. The quarterly average price for the third quarter of 2021 was \$263.66/mt FOBT, compared to \$137.46/mt FOBT in the second quarter of 2021, and traded in a range from a high of \$408.50/mt FOBT to a low of \$198.00/mt FOBT. October 2021 spot market pricing opened the month at \$390.00/mt FOBT and closed the month at \$402.50/mt FOBT with trades in a range from a high of \$402.50/mt FOBT to a low of

\$390.00 /mt FOBT for an average price of \$398.01/mt FOBT.

The World Steel Association reported that through September, global crude steel production increased by 7.8% in 2021 versus 2020 with India up 23.3%, Brazil up 20.2%, U.S. up 19.8%, Japan up 17.9%, Germany up 16.0%, Turkey up 15.0%, South Korea up 6.7%, Russia up 6.2% and China relatively flat at an increase of 2.0%. The largest regional increases were recognized in Africa at 31.2%, South America at 23.9%, European Union at 19.8%, and North America at 19.2%. All other regions recorded year-to-date year-over-year increases except for the Middle East, which was down 3.0%. Hot-rolled steel coil prices remained elevated throughout the third quarter and in the first month of the fourth quarter. Pent-up demand coupled with labor shortages and supply-chain issues continue to sustain pricing momentum with further support from the potential of increased infrastructure spending domestically. From the beginning of 2021 through the end of October, hot-rolled steel coil prices rose 87%, 53% and 30% in the U.S., Northern Europe and China, respectively.

The World Steel Association Short Range Outlook released in October 2021 forecasted that steel demand will increase by 4.5% in 2021 versus 2020 and increase by 2.2% in 2022 over 2021. Global steel demand in 2021 is expected to exceed 2019 levels by over 5%, driven primarily by Chinese increases compared to 2019. Chinese steel demand is expected to decrease by 1.0% in 2021 as compared to 2020 and remain flat in 2022. Excluding China, steel demand from the rest of the world will increase by 11.5% in 2021 and increase by 4.7% in 2022. Regionally, the collective demand from the United States, Canada and Mexico is forecasted to increase by 13.7% in 2021 and increase by 5.4% in 2022; demand from the European Union is forecasted to increase by 12.7% in 2021 and increase by 5.5% in 2022; the collective demand from Asia and Oceania (excluding China) is forecasted to increase by 11.3% in 2021 and increase by 4.3% in 2022; and the collective demand from Central and South America is forecasted to increase by 23.2% in 2021 and increase by 0.9% in 2022.

After opening the fourth quarter of 2021 at \$398.00/mt FOBT, the forward curve for the fourth quarter of 2021 according to the SGX TSI index is trading at \$361.00/mt FOBT with November at \$373.50/mt FOBT and December at \$348.50/mt FOBT. Forward curve pricing for 2022 is trading at an average of \$229.46/mt FOBT with the first quarter of 2022 at a high of \$298.33/mt FOBT and the fourth quarter of 2022 at a low of \$177.50/mt FOBT. The forward curve for 2023 is showing pricing at an average of \$180.00/mt FOBT. Increased global steel demand and increased global steel production are driving the demand and supporting higher prices for metallurgical coal. Trade tensions between China and Australia remain and continue to influence the international metallurgical coal market supply routes and metallurgical coal export pricing dynamics. Domestically, metallurgical coal consumption is expected to increase year-over-year and according to the U.S. Energy Information Administration (the "EIA") and is forecasted to be 18.7 million tons in 2021 and 20.1 million tons in 2022 as compared to 14.4 million tons in 2020 and 18.3 million tons in 2019. Metallurgical coal exports from the United State are expected to increase to 47.0 million tons in 2021, or an 11% increase over the 42.4 million tons of metallurgical coal exported in 2020. Metallurgical coal exports are expected to increase by 11% in 2022 over 2021 to 52.0 million tons.

See "Risk Factors" in the Company's annual information form dated March 3, 2021 for the year ended December 31, 2020 for an additional discussion regarding certain factors that could impact coal pricing trends and outlook, as well as the Company's ongoing operations.

Financial Statements and Management's Discussion and Analysis

Refer to Corsa's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020 and related management's discussion and analysis, filed under Corsa's profile on www.sedar.com, for details of the financial performance of Corsa and the matters referred to in this news release.

Non-GAAP Financial Measures

Management uses realized price per ton sold, cash production cost per ton sold, cash cost per ton sold, cash margin per ton sold, EBITDA and adjusted EBITDA, as both terms are defined below, as internal measurements of financial performance for Corsa's mining and processing operations. These measures are not recognized under International Financial Reporting Standards ("GAAP"). Corsa believes that, in addition to the conventional measures prepared in accordance with GAAP, certain investors and other stakeholders

also use these non-GAAP financial measures to evaluate Corsa's operating and financial performance; however, these non-GAAP financial measures do not have any standardized meaning and therefore may not be comparable to similar measures presented by other issuers. Accordingly, these non-GAAP financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Reference is made to the management's discussion and analysis for the three and nine months ended September 30, 2021 for a reconciliation and definitions of non-GAAP financial measures to GAAP measures.

Corsa defines adjusted EBITDA as EBITDA (earnings before deductions for interest, taxes, depreciation and amortization) adjusted for change in estimate of reclamation provision for non-operating properties, impairment and write-off of mineral properties and advance royalties, gain (loss) on sale of assets and other costs, stock-based compensation, non-cash finance expenses and other non-cash adjustments. Adjusted EBITDA is used as a supplemental financial measure by management and by external users of our financial statements to assess our performance as compared to the performance of other companies in the coal industry, without regard to financing methods, historical cost basis or capital structure; the ability of our assets to generate sufficient cash flow; and our ability to incur and service debt and fund capital expenditures.

Qualified Person

All scientific and technical information contained in this news release has been reviewed and approved by Peter Merritts, Professional Engineer and the Company's Chief Operating Officer, who is a qualified person within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Caution

Potential developments and market conditions discussed in this news release are considered to be forward looking information. Readers are cautioned that actual results may vary from this forward-looking information. See "Forward-Looking Statements" below.

Information about Corsa

Corsa is a coal mining company focused on the production and sales of metallurgical coal, an essential ingredient in the production of steel. Our core business is producing and selling metallurgical coal to domestic and international steel and coke producers in the Atlantic and Pacific basin markets.

Forward-Looking Statements

Certain information set forth in this press release contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") under applicable securities laws. Except for statements of historical fact, certain information contained herein including, but not limited to, statements relating to the expected price volatility of the metallurgical coal market, the future demand for steel and its production, and the availability of its supply, changes to sales margins and expected profitability constitutes forward-looking statements which include management's assessment of future plans and operations and are based on current internal expectations, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "will", "estimates", "expects" "anticipates", "believes", "projects", "plans", "capacity", "hope", "forecast", "anticipate", "could" and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties. These risks and uncertainties include, but are not limited to: changes in market conditions, governmental or regulatory developments as a result of the COVID-19 pandemic or otherwise, the operating status and capabilities of our customers and competitors; various events which could disrupt operations and/or the transportation of coal products, including labor stoppages, the outbreak of disease and severe weather conditions; and management's ability to anticipate and manage the foregoing factors and risks. 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 statements. The reader is cautioned not to place undue reliance on forward-looking statements. Corsa does not undertake to update any of the forward-looking statements contained in this press release unless required by law. The statements as to Corsa's capacity to produce coal are no assurance that it will achieve these levels of production or that it will

be able to achieve these sales levels.

The TSX Venture Exchange has in no way passed on the merits of this news release. Neither the 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.

SOURCE [Corsa Coal Corp.](#)

Contact

Kevin M. Harrigan, Chief Financial Officer and Corporate Secretary, [Corsa Coal Corp.](#), (724)754-0028, communication@corsacoal.com, www.corsacoal.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/398558--Corsa-Coal-Announces-Financial-Results-for-Third-Quarter-2021.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](#).