

Orbit Garant Drilling Inc. Drilling Reports Fiscal 2024 Second Quarter Results

07.02.2024 | [CNW](#)

VAL-D'OR, Feb. 7, 2024 - [Orbit Garant Drilling Inc.](#) (TSX: OGD) ("Orbit Garant" or the "Company") today announced its financial results for the three-month ("Q2 2024") and six-month periods ended December 31, 2023. All dollar amounts are in Canadian dollars unless otherwise stated.

Financial Highlights

(\$ amounts in millions, except per share amounts)	Three months ended December 31, 2023	Three months ended December 31, 2022	Six months ended December 31, 2023	Six months ended December 31, 2022
Revenue	43.4	51.6	87.7	104.9
Gross Profit	2.8	6.8	6.9	13.0
Gross Margin (%)	6.4	13.1	7.9	12.4
Adjusted Gross Margin (%) ¹	12.2	18.1	13.7	17.2
EBITDA ²	1.0	6.9	4.0	12.7
Net earnings (loss)	(1.7)	2.1	(2.1)	3.2
Net earnings (loss) per share				
- Basic and diluted (\$)	(0.05)	0.06	(0.06)	0.09

¹ Adjusted Gross Margin is a non-IFRS financial measure and is defined as Gross Profit excluding depreciation expenses. See "Reconciliation of Non-IFRS financial measures".

² EBITDA is a non-IFRS financial measure and is defined as earnings before interest, taxes, depreciation, and amortization, See "Reconciliation of Non-IFRS financial measures".

"Our second quarter results reflect customer decisions to temporarily suspend or reduce drilling activity on certain projects in Canada beginning in the fourth quarter of Fiscal 2023," said Pierre Alexandre, President and CEO of Orbit Garant. "This reduction in drilling activity impacted revenue, while our labour costs remained stable as we retained key personnel given the competitive workforce market and in expectation of these projects gradually resuming. We also incurred additional costs to ramp the projects back up, which further impacted profitability in the quarter. As expected, all these projects were fully resumed as of January 2024."

"With this issue now behind us, we are well positioned to benefit from continued strong customer demand in Canada. Gold prices recently reached record levels above US\$2,100 per ounce, giving our senior and intermediate gold mining customers strong incentive to maintain or expand their exploration and development spending. We are also experiencing increased customer demand and improved performance in our Chilean operations."

"During the second quarter, we completed our final drilling projects in Burkina Faso and Guinea and are currently in the process of exiting West Africa. We expect this decision will positively impact our future margins. We are now primarily focused on our core Canadian gold drilling operations, while selectively pursuing attractive opportunities in South America."

Second Quarter Results

Revenue for Q2 2024 totalled \$43.4 million, a decrease of 16.0% compared to \$51.6 million for the

three-month period ended December 31, 2022 ("Q2 2023"). Canada revenue totalled \$29.6 million in Q2 2024, a decline of 22.7% compared to \$38.3 million in Q2 2023. The decline was primarily attributable to customer decisions to temporarily suspend or reduce drilling activity on certain projects during the first six months of Fiscal 2024. These projects started to gradually resume in August 2023, and were fully resumed by January 2024. Orbit Garant elected to keep its drilling personnel employed in anticipation of the gradual resumption of these projects. International revenue increased 3.0% to \$13.8 million in Q2 2024 from \$13.3 million in Q2 2023, reflecting increased drilling activity in Chile, partially offset by a reduction of drilling activity in Guyana and Burkina Faso.

Gross profit for Q2 2024 was \$2.8 million, or 6.4% of revenue, compared to \$6.8 million, or 13.1% of revenue, in Q2 2023. Depreciation expenses totalling \$2.5 million are included in the cost of contract revenue for Q2 2024, compared to depreciation expenses of \$2.6 million in Q2 2023. Adjusted gross margin, excluding depreciation expenses, was 12.2% in Q2 2024, compared to adjusted gross margin of 18.1% in Q2 2023. The decline in gross profit, gross margin, and adjusted gross margin primarily reflects the reduction of drilling activity in Canada, as described above, but without a commensurate decline in labour costs as the Company elected to keep its drilling personnel employed in anticipation of the gradual resumption of these projects. Orbit Garant also incurred additional ramp-up costs related to these temporarily suspended or reduced projects. The decline was partially offset by increased drilling activity in Chile.

General and Administrative expenses were \$4.1 million, or 9.5% of revenue, in Q2 2024, compared to \$3.9 million, or 7.5% of revenue, in Q2 2023.

EBITDA totalled \$1.0 million in Q2 2024, compared to \$6.9 million in Q2 2023. Net loss for Q2 2024 was \$1.7 million, or \$0.05 per share, compared to net earnings of \$2.1 million, or \$0.06 per share, in Q2 2023. The decrease in EBITDA and net earnings was primarily attributable to the reduction of drilling activity in Canada due to project suspensions or reductions, retaining key personnel on suspended or reduced drilling projects, additional costs incurred to ramp projects back up and a \$1.6 million negative variance in foreign exchange, partially offset by increased drilling activity in Chile. Net loss in Q2 2024 was also partially offset by a \$1.0 million income tax recovery in the quarter.

Liquidity and Capital Resources

The Company repaid a net amount of \$0.3 million on its Credit Facility in Q2 2024, compared to a repayment of \$2.9 million in Q2 2023. The Company's long-term debt under the Credit Facility, including US\$2.0 million (\$2.6 million) drawn from the US\$5.0 million revolving credit facility and the current portion, was \$24.6 million as at December 31, 2023, compared to \$22.2 million as at June 30, 2023.

As at December 31, 2023, the Company's working capital totalled \$48.8 million, compared to \$50.4 million as at June 30, 2023. Orbit Garant's working capital requirements are primarily related to the funding of inventory and the financing of accounts receivable. As at December 31, 2023, Orbit Garant had 37,372,756 common shares issued and outstanding.

Orbit Garant's unaudited interim consolidated financial statements and management's discussion and analysis for Q2 2024 are available via the Company's website at www.orbitgarant.com or SEDAR+ at www.sedarplus.ca.

Conference Call

Pierre Alexandre, President and CEO, and Daniel Maheu, CFO, will host a conference call for analysts and investors on Thursday, February 8, 2024 at 10:00 a.m. (ET). To join the conference call without operator assistance, you can register and enter your phone number at <https://emportal.ink/3RWhu0p> to receive an instant automated call back. Alternatively, you can dial 416-764-8688 or 1-888-390-0546 to reach a live operator that will join you into the call.

A live webcast of the call will be available on Orbit Garant's website at: <http://www.orbitgarant.com/en/events>. The webcast will be archived following conclusion of the call. To access a replay of the conference call dial 416-764-8677 or 1-888-390-0541, passcode: 842747 #. The replay will be available until February 15, 2024.

RECONCILIATION OF NON - IFRS FINANCIAL MEASURES

Financial data has been prepared in conformity with International Financial Reporting Standards ("IFRS").

However, certain measures used in this discussion and analysis do not have any standardized meaning under IFRS and could be calculated differently by other companies. The Company believes that certain non-IFRS financial measures, when presented in conjunction with comparable IFRS financial measures, are useful to investors and other readers because the information is an appropriate measure to evaluate the Company's operating performance. Internally, the Company uses this non-IFRS financial information as an indicator of business performance. These measures are provided for information purposes, in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS.

EBITDA and EBITDA Margin

EBITDA and EBITDA margin: Net earnings (loss) before interest, taxes, depreciation and amortization.

Management believes that EBITDA is an important measure when analyzing its operating profitability, as it removes the impact of financing costs, certain non-cash items and income taxes. As a result, Management considers it a useful and comparable benchmark for evaluating the Company's performance, as companies rarely have the same capital and financing structure.

Reconciliation of EBITDA and EBITDA Margin

(unaudited)	3 months ended	3 months ended	6 months ended	6 months ended
(in millions of dollars)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net (loss) earnings for the period (1.7)	2.1	(2.1)	3.2	
Add:				
Finance costs	0.9	0.8	1.7	1.6
Income tax (recovery) expense (1.0)	1.2	(1.2)	2.4	
Depreciation and amortization	2.8	2.8	5.6	5.5
EBITDA	1.0	6.9	4.0	12.7
Contract Revenue	43.4	51.6	87.7	104.9
EBITDA margin (%) ⁽¹⁾	2.3	13.4	4.6	12.1

(1) EBITDA, divided by contract revenue x 100

Adjusted Gross Profit and Adjusted Gross Margin

Adjusted gross profit and margin: Contract revenue, less operating costs. Operating expenses comprise material and service expenses, personnel expenses, other operating expenses, excluding depreciation.

Although adjusted gross profit and adjusted gross margin are not recognized financial measures defined by IFRS, Management considers them to be important measures as they represent the Company's core profitability, without the impact of depreciation expense. As a result, Management believes they provide a useful and comparable benchmark for evaluating the Company's performance.

Reconciliation of Adjusted Gross Profit and Adjusted Gross Margin

(unaudited)	3 months ended	3 months ended	6 months ended	6 months ended
(in millions of dollars)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Contract revenue	43.4	51.6	87.7	104.9
Cost of contract revenue (including depreciation)				
	40.6	44.8	80.8	91.8
Less depreciation	(2.5)	(2.6)	(5.1)	(5.0)
Direct costs	38.1	42.2	75.7	86.8
Adjusted gross profit	5.3	9.4	12.0	18.1
Adjusted gross margin (%) ⁽¹⁾	12.2	18.1	13.7	17.2

⁽¹⁾ Adjusted gross profit, divided by contract revenue X 100
About Orbit Garant

Headquartered in Val-d'Or, Québec, Orbit Garant is one of the largest Canadian-based mineral drilling companies, providing both underground and surface drilling services in Canada and internationally through its 208 drill rigs and approximately 1,300 employees. Orbit Garant provides services to major, intermediate and junior mining companies, through each stage of mining exploration, development and production. The Company also provides geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. For more information, please visit the Company's website at www.orbitgarant.com.

Forward-looking information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to business of [Orbit Garant Drilling Inc.](http://www.orbitgarant.com) (the "Company") and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Risks and uncertainties that could cause actual results, performance or achievements to differ materially include the world economic climate as it relates to the mining industry; the Canadian economic environment; the Company's ability to attract and retain customers and to manage its assets and operating costs; the political situation in certain jurisdictions in which the Company operates and the operating environment in the jurisdictions in which the Company operates as well as the risks and uncertainties are discussed in the Company's regulatory filings available at www.sedarplus.ca. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities laws.

SOURCE [Orbit Garant Drilling Inc.](http://www.orbitgarant.com)

Contact

Daniel Maheu, Chief Financial Officer, (819) 824-2707 ext. 124; Bruce Wigle, Investor Relations, (647) 496-7856

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/463352--Orbit-Garant-Drilling-Inc.-Drilling-Reports-Fiscal-2024-Second-Quarter-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](#).