Speaking Notes for

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Royal Canadian Mint

2021 Annual Public Meeting

Ottawa, Ontario

June 9, 2021

Check against delivery
Thank you very much Simon.

I would like to advise everyone that certain comments being made today may contain forward-looking statements about the Mint’s strategy and expected financial and operational results. Forward looking statements are based on the assumption that there will be no change to the Mint’s current mandate. Key risks are outlined in the company’s annual report. These factors may cause actual results to differ substantially from the expectations stated or implied in forward looking statements.

I am pleased to provide highlights of our 2020 financial results and our outlook for 2021.

Overall, the Mint delivered 27.5 million dollars in profit before income tax and other items in 2020, down 14.8 million dollars from last year.

For a large part of 2020, the Mint proactively managed the COVID-19 pandemic to prevent cases in its production facilities. The Mint focused its production capacity to serve the mining and financial sectors in Canada and around the world and, with its agility, was able to capitalize on the exceptional increase in global bullion market demand and increased its total revenue 74% to 2.5 billion dollars in 2020.

Canadian Circulation revenue decreased 8% in 2020 to 88 million dollars. The decrease was mainly due to a lower volume of coins produced and sold to the Department of Finance in 2020, combined with lower fixed costs billed under the current memorandum of understanding and lower revenue from the alloy recovery program.

Reduced in-person economic activity due to the COVID-19 pandemic has decreased the overall demand for coins and, at the same time, decreased the supply of coins, which declined 38% to 1.9 billion coins in 2020.

The Mint leveraged its coin life cycle management expertise, as well as its visibility to deposits and recycling to ensure regions were adequately stocked and coins were available to meet Canadians’ trade and commerce needs throughout 2020.

Foreign Circulation business revenue was 64.2 million dollars, down 2% from 65.4 million dollars in 2019. The Mint shipped 838 million coins and blanks to 10 countries in 2020, and the Mint was awarded 6 new production contracts for a total of 1.5 billion coins.

The Mint’s agility allowed it to adapt to the increase in global market demand for precious metal products in 2020 by shifting its focus to gold products and reallocating production resources from its Numismatics business to its Bullion Products and Services business to serve the mining and financial sectors during the COVID-19 pandemic.

The Bullion Products and Services business revenues increased from 1.2 billion dollars in 2019 to 2.3 billion in 2020 and the Mint maintained its strong bullion market position in 2020. The increase in revenue was attributed to exceptional global market demand, in particular for gold bullion products. Sales volumes for gold bullion products increased 103% while silver bullion product sales volumes increased 30%. The average price of both gold and silver increased 27% last year.
Numismatics revenue decreased 21% from 117 million dollars in 2019 to 91.9 million dollars in 2020. The temporary suspension of numismatic production from mid-March to late May 2020 was the main driver of lower revenue in 2020.

Operating expenses increased 4% in 2020 to 98.5 million dollars, compared in 2019 as the Mint focused on enhanced organizational resiliency in 2020 and the development of its updated long-term strategic vision and the strategy for the Mint’s future business transformation.

Cash generated from operating activities in 2020 was 36 million dollars - a 21.1 million decrease compared to 2019. The decrease was primarily due to the timing of inventory purchases, cash collected from customers, and payments to vendors, partially offset by lower income taxes paid in 2020. Cash required to fund capital expenditures was lower, at 9.1 million compared to 11.4 million in 2019, because of continued measured capital investment.

I am proud to announce that the Mint paid the Government of Canada a dividend of 20 million dollars in 2020 despite the impact of the COVID-19 pandemic on the Mint’s performance, as the Mint did not reduce any fixed costs during the periods of suspended or modified production in 2020. Through the efficient management of the coin supply, including new coin production balanced with recycling volumes of 96 million and interbank coin sales of 528 million, the Mint supported the Government of Canada in earning more than $2.6 million dollars in seigniorage, on its sales of coins to financial institutions in 2020.

Looking forward, the Mint's financial goal for 2021, as approved in the Mint’s 2021-2025 Corporate Plan, is a profit before income tax and other items of 47.6 million dollars. The Mint continues to focus its production capacity to serve the mining and financial sectors in Canada and around the world as global market demand for bullion products continues to be strong. In the first quarter of 2021, the Mint’s profit before income tax and other items was 26 million dollars, an increase of 300% from the first quarter of 2020. All of the Mint’s businesses had a strong first quarter, in particular revenue from bullion products and services increased 85% in the quarter.

In 2021, the Mint is focused on the implementation of its “One Mint” strategic vision while continuing to work diligently to mitigate the impacts of COVID-19 on its business performance and following government guidance and prioritizing the health and safety of its employees. The Mint is also making investments in 2021 as it plans and starts the implementation of its business transformation.

As part of its business continuity plan, the Mint continues to actively monitor its global supply chain and logistics networks in support of its continued operations. Despite its best efforts, the Mint expects COVID-19 to continue to affect its performance in 2021 especially in light of the declaration of emergency and province wide stay-at-home order in Ontario, which began on April 8, 2021. The situations in Ontario and Manitoba continue to be monitored and the Mint will adapt its operations accordingly.

Thank you.