



Earnings Release

ROYAL CANADIAN MINT REPORTS PROFITS AND PERFORMANCE FOR Q3 2022

OTTAWA, ONTARIO – November 18, 2022 – The Royal Canadian Mint (the “Mint”) is pleased to announce its financial results for the third quarter of 2022 that provide insight into its activities, the markets influencing its businesses and its expectations for the next 12 months.

“I am encouraged by the positive results that our diversified, customer-focused organization is generating,” said Marie Lemay, President and CEO of the Royal Canadian Mint. “We are ahead of plan and expect to exceed our financial goal of delivering even greater than expected returns to Canada and Canadians. As market conditions evolve, the Mint continues to demonstrate the effectiveness of its business strategy and its ability to deploy its resources to be as responsive as possible to adapt to forecasted and unforeseen shifts in market conditions and customer demand.”

The financial results should be read in conjunction with the Mint’s annual report available at www.mint.ca. All monetary amounts are expressed in Canadian dollars, unless otherwise indicated.

Financial and Operational Highlights

- The financial results for the third quarter of 2022 are as expected, below 2021 levels, given the exceptional performance seen in 2021, and planned operational maintenance in 2022. The Mint expects to exceed its financial goals for 2022, as set out in the Mint’s Corporate Plan.
- Compared to 2021, which yielded singular results, the Mint had 10% lower revenue while overall profitability decreased quarter over quarter from lower foreign circulation volumes and higher planned operating expenses.
- Consolidated revenue decreased to \$728.7 million in 2022 (2021 – \$811.6 million). Revenue from Precious Metals businesses decreased to \$687.2 million in 2022 (2021 – \$757.9 million):
 - Gold bullion volumes increased 14% to 354.3 thousand ounces (2021 – 310.4 thousand ounces) while silver bullion volumes decreased 2% quarter over quarter to 9.6 million ounces (2021 – 9.8 million ounces).
 - Sales of numismatic products were consistent quarter over quarter at \$24 million.Revenue from Circulation businesses decreased to \$41.5 million in 2022 (2021 – \$53.7 million):
 - Revenue from the Foreign Circulation business decreased 58% quarter over quarter due to lower volumes produced and shipped in 2022 as compared to 2021.
 - Revenue from Canadian coin circulation products and services increased 27% quarter over quarter from coin production to replenish the Canadian circulation inventory levels as well as higher Alloy Recovery Program (ARP) metric tons processed during the period.

- Overall, operating expenses increased 15% quarter over quarter to \$30.6 million (2021 – \$26.6 million) mainly due to planned temporary increase in consulting expenses to support the digital program and business transformation.
- Cash has increased to \$95.6 million (December 31, 2021 - \$69.3 million).

Consolidated results and financial performance

(in millions)

	13 weeks ended				39 weeks ended			
	October 1, 2022	October 2, 2021	Change		October 1, 2022	October 2, 2021	Change	
			\$	%			\$	%
Revenue	\$ 728.7	\$ 811.6	(82.9)	(10)	\$ 2,435.6	\$ 2,667.9	(232.3)	(9)
Profit for the period	\$ 7.8	\$ 9.2	(1.4)	(15)	\$ 24.7	\$ 43.5	(18.8)	(43)
Profit before income tax and other items ¹	\$ 12.2	\$ 18.8	(6.6)	(35)	\$ 42.5	\$ 69.9	(27.4)	(39)
Profit before income tax and other items margin ²	1.7%	2.3%			1.7%	2.6%		

(1) Profit before income tax and other items is a non-GAAP financial measure. A reconciliation from profit for the period to profit before income tax and other items is included on page 11 of the Mint's 2022 Third Quarter Report.

(2) Profit before income tax and other items margin is a non-GAAP financial measure and its calculation is based on profit before income tax and other items.

	As at			
	October 1, 2022	December 31, 2021	\$ Change	% Change
Cash	\$ 95.6	\$ 69.3	26.3	38
Inventories	\$ 57.7	\$ 86.5	(28.8)	(33)
Capital assets	\$ 156.1	\$ 154.2	1.9	1
Total assets	\$ 423.5	\$ 405.5	18.0	4
Working capital	\$ 147.7	\$ 122.5	25.2	21

As part of its enterprise risk management program, 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 changes in the macro-economic environment and other external events around the globe, as well as the continuing emergence of COVID-19 variants, to continue to impact its performance in 2022. The Mint continues to mitigate potential risks as they arise and prioritize the health and safety of its employees, adjusting its work protocols as required by the provinces and the local health authorities.

To read more of the Mint's Third Quarter Report for 2022, please visit www.mint.ca.

About the Royal Canadian Mint

The Royal Canadian Mint is the Crown corporation responsible for the minting and distribution of Canada's circulation coins. The Mint is recognized as one of the largest and most versatile mints in the world, offering a wide range of specialized, high-quality coinage products and related services on an international scale. For more information on the Mint, its products and services, visit www.mint.ca. Follow the Mint on [Twitter](#), [Facebook](#) and [Instagram](#).

FORWARD LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

This Earnings Release contains non-GAAP financial measures that are clearly denoted where presented. Non-GAAP financial measures are not standardized under International Financial Reporting Standards (IFRS) and might not be comparable to similar financial measures disclosed by other corporations reporting under IFRS.

This Earnings Release contains forward-looking statements that reflect management's expectations regarding the Mint's objectives, plans, strategies, future growth, results of operations, performance, and business prospects and opportunities. Forward-looking statements are typically identified by words or phrases such as "plans", "anticipates", "expects", "believes", "estimates", "intends", and other similar expressions. These forward-looking statements are not facts, but only estimates regarding expected growth, results of operations, performance, business prospects and opportunities (assumptions). While management considers these assumptions to be reasonable based on available information, they may prove to be incorrect. These estimates of future results are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Mint expects. These risks, uncertainties and other factors include, but are not limited to, those risks and uncertainties set forth in the Risks to Performance section of the Management Discussion and Analysis in the Mint's 2021 annual report, as well as in Note 9 – Financial Instruments and Financial Risk Management to the Mint's Audited Consolidated Financial Statements for the year ended December 31, 2021. The forward-looking statements included in this Earnings Release are made only as of November 16, 2022, and the Mint does not undertake to publicly update these statements to reflect new information, future events or changes in circumstances or for any other reason after this date.

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