



Earnings Release

ROYAL CANADIAN MINT REPORTS PROFITS AND PERFORMANCE FOR 2023

OTTAWA, ONTARIO – May 3, 2024 – The Royal Canadian Mint (the “Mint”) is announcing its financial results for 2023. These results provide insights into the Mint’s activities, the impacts of market fluctuations on its businesses and its expectations for the next 12 months.

“The Royal Canadian Mint achieved solid results despite a sharp downturn in the precious metals market, significant investments in its digital transformation, and a higher level of operating costs,” said Marie Lemay, President and CEO of the Royal Canadian Mint. “We will remain agile and seize new opportunities to help drive future profitability and sustainability.”

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 2023 were below 2022 levels, as expected, driven by lower bullion volumes due to weaker demand in the global bullion market in the second half of 2023, higher precious metal costs and higher operating expenses. Results were positively impacted by the success of the numismatics products celebrating the reign of the late Queen Elizabeth II and the coronation of His Majesty King Charles III.
- Consolidated revenue decreased to \$2,162.0 million in 2023 (2022 – \$3,282.5 million).

Revenue from the Precious Metals business decreased to \$2,046.1 million in 2023 (2022 – \$3,124.3 million):

- Gold bullion and silver bullion volumes decreased 34% year over year to 989.1 thousand ounces for gold bullion (2022 – 1,489.7 thousand ounces) and 24.4 million ounces for silver bullion (2022 – 37.1 million ounces).
- Revenue from numismatic product sales increased 20% year over year.

Revenue from the Circulation business decreased to \$115.9 million in 2023 (2022 – \$158.2 million):

- Revenue from Foreign Circulation decreased 56%, year over year due to lower volumes and an expected change in the mix of coins and blanks in new contracts.
- Revenue from Canadian circulation decreased 8% year over year as fewer coins were required to replenish inventories due to an increase in deposits with financial institutions and an increase in coins from the recycling program ensuring an adequate supply.

- Overall, operating expenses increased 8% year over year to \$135.0 million (2022 – \$125.3 million) mainly due to planned increases in employee compensation to support ongoing operations, as well as expenses supporting the digital program.
- Cash and cash equivalents decreased to \$59.8 million (December 31, 2022 - \$79.3 million). The Mint paid a dividend of \$4.0 million to the Government of Canada in January 2024. Cash and cash equivalents remain adequate to support the Mint's operations.

Consolidated results and financial performance (in millions)

	Year ended			
	December 31, 2023	December 31, 2022	\$ Change	% Change
Revenue	\$ 2,162.0	\$ 3,282.5	(1,120.5)	(34)
Profit for the period	\$ 16.6	\$ 34.9	(18.3)	(52)
Profit before income tax and other items ¹	\$ 24.1	\$ 45.0	(20.9)	(46)
Profit before income tax and other items margin ²	1.1%	1.4%		

(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 40 of the Mint's 2023 annual 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			
	December 31, 2023	December 31, 2022	\$ Change	% Change
Cash and cash equivalents	\$ 59.8	\$ 79.3	(19.5)	(25)
Inventories	\$ 68.8	\$ 56.2	12.6	22
Capital assets	\$ 173.0	\$ 152.5	20.5	13
Total assets	\$ 380.4	\$ 380.2	0.2	-
Working capital	\$ 97.8	\$ 105.3	(7.5)	(7)
Dividends paid	\$ -	\$ 40.7	(40.7)	(100)

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 to continue to impact its performance in 2024. The Mint continues to mitigate potential risks as they arise through its enterprise risk management process.

To read more of the Mint's annual report for 2023, 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 one of the largest and most versatile mints in the world, producing award-winning collector coins, market-leading bullion products, as well as Canada's prestigious military and civilian honours. As an established London and COMEX Good Delivery refiner, the Mint also offers a full spectrum of best-in-class gold and silver refining services. As an organization that strives to take better care of the environment, to cultivate safe and inclusive workplaces and to make a positive impact on the communities where it operates,

the Mint integrates environmental, social and governance practices in every aspect of its operations.

For more information on the Mint, its products and services, visit www.mint.ca. Follow the Mint on [LinkedIn](#), [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 2023 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, 2023. The forward-looking statements included in this Earnings Release are made only as of March 7, 2024, 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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