



Earnings Release

ROYAL CANADIAN MINT REPORTS PROFITS AND PERFORMANCE FOR Q1 2023

OTTAWA, ONTARIO – May 19, 2023 – The Royal Canadian Mint (the “Mint”) is pleased to announce its financial results for the first quarter of 2023 that provide insight into its activities, the markets influencing its businesses and its expectations for the next 12 months.

“The Mint continues to operate in an ever-changing and challenging business environment, our sustained profitability demonstrates that we are a strong and resilient organization,” said Marie Lemay, President and CEO of the Royal Canadian Mint. “While we are still in the midst of implementing our long-term strategy, it continues to deliver positive results and is positioning us for future growth.”

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 first quarter of 2023 were stronger than expected as the Mint was able to respond with agility to a resurgence in global bullion market demand late in the quarter. The Mint expects to meet its financial goals for 2023, as set out in the Mint’s Corporate Plan.
- Consolidated revenue decreased to \$769.7 million in 2023 (2022 – \$865.0 million). Revenue from the Precious Metals business decreased to \$747.7 million in 2023 (2022 – \$825.4 million):
 - Gold bullion volumes decreased 13% quarter over quarter to 318.7 thousand ounces (2022 - 366.9 thousand ounces) while silver bullion volumes increased 1% to 9.0 million ounces (2022 – 8.9 million ounces).
 - Sales of numismatic products increased 23% quarter over quarter mainly due to the high demand for *Queen Elizabeth II’s Reign* products.Revenue from the Circulation business decreased to \$22.0 million in 2023 (2022 – \$39.6 million):
 - Revenue from Canadian coin circulation products and services decreased 10% quarter over quarter from lower circulation coin volumes, as expected.
 - Revenue from the Foreign Circulation business decreased 86%, quarter over quarter, a reflection of significantly lower volumes produced and shipped in 2023 as compared to 2022 due to the on-going geopolitical tensions and post pandemic economic uncertainties in the global economy.
- Overall, operating expenses increased 17% quarter over quarter to \$32.4 million (2022 – \$27.6 million) mainly due to a planned temporary increase in consulting expenses to support the digital program, as well as planned non-temporary increases in employee compensation and travel and hospitality expenses, which have returned to normal levels.

- Cash and cash equivalents and short term investment increased to \$124.4 million (December 31, 2022 - \$79.3 million).

Consolidated results and financial performance (in millions)

	13 weeks ended			
	April 1, 2023	April 2, 2022	\$ Change	% Change
Revenue	\$ 769.7	\$ 865.0	(95.3)	(11)
Profit for the period	\$ 12.5	\$ 14.4	(1.9)	(13)
Profit before income tax and other items ¹	\$ 17.3	\$ 15.8	1.5	9
Profit before income tax and other items margin ²	2.2%	1.8%		

(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 12.

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

	As at			
	April 1, 2023	December 31, 2022	\$ Change	% Change
Cash and cash equivalents and short term investment	\$ 124.4	\$ 79.3	45.1	57
Inventories	\$ 61.5	\$ 56.3	5.2	9
Capital assets	\$ 156.8	\$ 152.5	4.3	3
Total assets	\$ 407.5	\$ 380.2	27.3	7
Working capital	\$ 114.5	\$ 105.3	9.2	9

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 2023. The Mint continues to mitigate potential risks as they arise through its enterprise risk management process.

To read more of the Mint's First Quarter 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 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 2022 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, 2022. The forward-looking statements included in this Earnings Release are made only as of May 18, 2023, 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.

For more information, please contact:

Alex Reeves
Senior Manager, Public Affairs
Tel: (613) 884-6370
reeves@mint.ca