

Major Drilling Announces First Quarter Results - EBITDA up 78%

09.09.2019 | [GlobeNewswire](#)

MONCTON, Sept. 09, 2019 - [Major Drilling Group International Inc.](#) (TSX: MDI) today reported results for its first quarter of fiscal year 2020, ended July 31, 2019.

Highlights

In millions of Canadian dollars

(except earnings (loss) per share)	Q1 2020	Q1 2019	
Revenue	\$117.5	\$98.5	
Gross profit	30.7	23.4	
As percentage of revenue	26.1	% 23.8	%
EBITDA ⁽¹⁾	18.0	10.1	
As percentage of revenue	15.3	% 10.3	%
Net earnings (loss)	6.0	(2.5))
Earnings (loss) per share	0.08	(0.03))

(1) Earnings before interest, taxes, depreciation and amortization (see "non-GAAP financial measure")

- Quarterly revenue was \$117.5 million, up 19% from the same quarter last year.
- Gross margin percentage for the quarter was 26.1%, compared to 23.8% for the corresponding period last year.
- EBITDA was up 78% to \$18.0 million for the quarter as compared to the same period last year (the impact of IFRS 16 Leases was minimal at \$0.3 million).
- Net earnings were \$6.0 million or \$0.08 per share for the quarter, compared to a net loss of \$2.5 million or \$0.03 per share for the prior year quarter.

"I am pleased with the progress we made in all of our regions this quarter. Each of our regions delivered good increases in revenue as compared to last year and marked improvement in profitability," said Denis Larocque, President and CEO of [Major Drilling Group International Inc.](#) "In most markets, we have grown our market share, due to our specialized drilling expertise, our innovative solutions, our safety culture, and our customers' appreciation of our financial strength. We added several new contracts with senior and intermediate companies, which have more than offset a reduction in our work from junior customers due to financing constraints."

"This quarter's performance demonstrated the Company's operational leverage as good revenue growth of 19% translated into a 78% increase in EBITDA. Improved productivity, better pricing and lower administrative costs are responsible for most of the improvement in our net earnings this quarter. We continue to reap productivity benefits from the tools we've developed over the last couple of years and from our enhanced training and skilled labour force."

"The Company maintained a strong working capital position with net cash (net of debt) of \$9.7 million. Net cash stayed relatively flat this quarter as net working capital increase related to increased activity and capital expenditures were offset by cash generated from operations. During the quarter, we spent \$10.6 million on capital expenditures, adding seven new rigs to our fleet, land and support equipment. Two of our new rigs are truly specialized, and went to service new contracts with senior customers. We also disposed of seven older, inefficient and more costly rigs, in line with our strategy of improving our fleet and services. This

keeps the fleet total at 601 rigs, added Mr. Larocque.

“Going into our second quarter, we expect activity levels to stabilize somewhat while adding a few rigs on existing contracts. As we look forward, the fundamentals driving the business continue to improve and senior and intermediate mining companies should continue their drilling activity for the foreseeable future. The price of gold, which historically has accounted for approximately 50% of the Company’s drilling activity, has increased by 15-20% over the last three months and we could see a pickup in junior financing in the coming months, although a potential increase will not translate into immediate drilling activity as it usually takes a few months to get a drilling campaign organized. In regards to base metals, due to economic uncertainty, copper prices have been depressed, down some 5% over the quarter. Despite this, we have increased our activity with senior copper producers as they need to replenish their reserves as they face a supply deficit in the coming years. Prices for drilling services continue to improve, although these improvements are always initially offset somewhat by an increase in labour and mobilization costs.”

Adoption of IFRS 16 Leases

As of Q1 2020, the Company is reporting lease obligations according to IFRS 16, with right-of-use assets and lease liabilities reflected on the Company’s balance sheet and rent expense, formerly reported in general and administrative expenses on the statement of operations, being replaced with interest and depreciation expense. The Q1 2020 IFRS 16 impact on the statement of operations was a G&A decrease of \$0.3 million, an increase in depreciation expense of \$0.3 million, negligible impact on interest expense, and no impact on net earnings.

First Quarter Ended July 31, 2019

Total revenue for the quarter was \$117.5 million, up 19% from revenue of \$98.5 million recorded in the same quarter last year. The favourable foreign exchange translation impact for the quarter, when comparing to the effective rates for the same period last year, is estimated at \$1 million on revenue, with a negligible impact on net earnings.

Revenue for the quarter from Canada - U.S. drilling operations increased by 19% to \$61.0 million, compared to the same period last year, with both regions demonstrating growth. The U.S. operations had a particularly strong quarter, contributing increased revenue and profitability due to growth in market share with senior and intermediate customers.

South and Central American revenue increased by 22% to \$32.7 million for the quarter, compared to the same quarter last year. Revenue growth came from increased activity levels in Mexico, Guiana Shield and Brazil, offset by a continued slowdown in Argentina as investment in the country remains challenging due to political uncertainty.

Asian and African operations reported revenue of \$23.8 million, up 17% from the same period last year. Indonesia and South Africa continued their recent growth trends, which more than offset the loss of revenue from closing our Burkina Faso operations.

The overall gross margin percentage for the quarter was 26.1%, compared to 23.8% for the same period last year. Improved productivity and better pricing positively impacted margins in the quarter.

General and administrative costs were \$11.8 million, a decrease of \$0.6 million compared to the same quarter last year, despite a higher volume of activity. The decrease was driven by the shutdown of operations in Burkina Faso as well as the impact of the implementation of IFRS 16 Leases.

Depreciation decreased by \$1.4 million to \$9.7 million, the result of reduced capital expenditures during the recent industry downturn.

The income tax provision for the quarter was an expense of \$2.0 million compared to an expense of \$1.2 million for the prior year period. The low effective tax rate for the quarter was mainly caused by the utilization

of non-tax affected losses in certain jurisdictions.

Net earnings were \$6.0 million or \$0.08 per share (\$0.08 per share diluted) for the quarter, compared to a net loss of \$2.5 million or \$0.03 per share (\$0.03 per share diluted) for the prior year quarter.

Non-GAAP Financial Measure

The Company uses the non-GAAP financial measure, EBITDA. The Company believes this non-GAAP financial measure is key, for both management and investors, in evaluating performance at a consolidated level. EBITDA is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. This measure does not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Forward-Looking Statements

Some of the statements contained in this news release may be forward-looking statements, such as, but not limited to, those relating to: worldwide demand for gold and base metals and overall commodity prices; the level of activity in the mining industry and the demand for the Company's services; the Canadian and international economic environments; the Company's ability to attract and retain customers and to manage its assets and operating costs; sources of funding for its clients (particularly for junior mining companies); competitive pressures; currency movements (which can affect the Company's revenue in Canadian dollars); the geographic distribution of the Company's operations; the impact of operational changes; changes in jurisdictions in which the Company operates (including changes in regulation); failure by counterparties to fulfill contractual obligations; and other factors as may be set forth as well as objectives or goals including words to the effect that the Company or management expects a stated condition to exist or occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements by reason of factors such as, but not limited to, the factors set out in the discussion on pages 14 to 18 of the 2019 Annual Report entitled "General Risks and Uncertainties", and such other documents as available on SEDAR at www.sedar.com. All such factors should be considered carefully when making decisions with respect to the Company. The Company does not undertake to update any forward-looking statements, including those statements that are incorporated by reference herein, whether written or oral, that may be made from time to time by or on its behalf, except in accordance with applicable securities laws.

About Major Drilling

[Major Drilling Group International Inc.](#) is one of the world's largest drilling services companies primarily serving the mining industry. Established in 1980, Major Drilling has over 1,000 years of combined experience within its management team alone. The Company maintains field operations and offices in Canada, the United States, Mexico, South America, Asia, Africa and Europe. Major Drilling provides a complete suite of drilling services including surface and underground coring, directional, reverse circulation, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole drilling, surface drill and blast, and a variety of mine services.

Webcast/Conference Call Information

[Major Drilling Group International Inc.](#) will provide a simultaneous webcast and conference call to discuss its quarterly results on Tuesday, September 10, 2019 at 9:00 AM (EDT). To access the webcast, which includes a slide presentation, please go to the investors/webcast section of Major Drilling's website at www.majordrilling.com and click on the link. Please note that this is listen-only mode.

To participate in the conference call, please dial 416-340-2216 and ask for Major Drilling's First Quarter Results Conference Call. To ensure your participation, please call in approximately five minutes prior to the scheduled start of the call.

For those unable to participate, a taped rebroadcast will be available approximately one hour after the completion of the call until midnight, Wednesday, September 25, 2019. To access the rebroadcast, dial 905-694-9451 and enter the passcode 2429094#. The webcast will also be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com.

For further information:
 Ian Ross, Chief Financial Officer
 Tel: (506) 857-8636
 Fax: (506) 857-9211
ir@majordrilling.com

[Major Drilling Group International Inc.](#)

Interim Condensed Consolidated Statements of Operations
 (in thousands of Canadian dollars, except per share information)
 (unaudited)

	Three months ended July 31	
	2019	2018
TOTAL REVENUE	\$ 117,459	\$ 98,485
DIRECT COSTS	86,769	75,085
GROSS PROFIT	30,690	23,400
OPERATING EXPENSES		
General and administrative	11,769	12,398
Other expenses	1,158	1,039
Gain on disposal of property, plant and equipment	(125)	(179)
Foreign exchange (gain) loss	(75)	26
Finance costs	219	243
Depreciation of property, plant and equipment	9,717	11,144
	22,663	24,671
EARNINGS (LOSS) BEFORE INCOME TAX	8,027	(1,271)
INCOME TAX - PROVISION (RECOVERY) (note 7)		
Current	1,894	2,756
Deferred	100	(1,545)
	1,994	1,211
NET EARNINGS (LOSS)	\$ 6,033	\$ (2,482)
EARNINGS (LOSS) PER SHARE (note 8)		
Basic	\$ 0.08	\$ (0.03)
Diluted	\$ 0.08	\$ (0.03)

[Major Drilling Group International Inc.](#)

Interim Condensed Consolidated Statements of Comprehensive Earnings (Loss)
 (in thousands of Canadian dollars)
 (unaudited)

	Three months ended July 31	
	2019	2018
NET EARNINGS (LOSS)	\$ 6,033	\$ (2,482)

OTHER COMPREHENSIVE EARNINGS

Items that may be reclassified subsequently to profit or loss

Unrealized (loss) gain on foreign currency translations (net of tax)	(5,756)	2,527
Unrealized gain (loss) on derivatives (net of tax)	168	(142)
COMPREHENSIVE EARNINGS (LOSS)	\$ 445	\$ (97)

[Major Drilling Group International Inc.](#)

Interim Condensed Consolidated Statements of Changes in Equity

For the three months ended July 31, 2019 and 2018

(in thousands of Canadian dollars)

(unaudited)

	Share capital	Reserves	Share-based payments reserve	Retained earnings	Foreign currency translation reserve
BALANCE AS AT MAY 1, 2018	\$ 241,264	\$ 36	\$ 19,721	\$ 41,360	\$ 70,021
Share-based compensation	-	-	149	-	-
	241,264	36	19,870	41,360	70,021
Comprehensive earnings:					
Net loss	-	-	-	(2,482)	-
Unrealized gain on foreign currency translations	-	-	-	-	2,527
Unrealized loss on derivatives	-	(142)	-	-	-
Total comprehensive loss	-	(142)	-	(2,482)	2,527
BALANCE AS AT JULY 31, 2018	\$ 241,264	\$ (106)	\$ 19,870	\$ 38,878	\$ 72,548
BALANCE AS AT MAY 1, 2019	\$ 241,264	\$ (570)	\$ 20,247	\$ 23,276	\$ 78,783
Share-based compensation	-	-	90	-	-
	241,264	(570)	20,337	23,276	78,783
Comprehensive earnings:					
Net earnings	-	-	-	6,033	-
Unrealized loss on foreign currency translations	-	-	-	-	(5,756)
Unrealized gain on derivatives	-	168	-	-	-
Total comprehensive earnings	-	168	-	6,033	(5,756)
BALANCE AS AT JULY 31, 2019	\$ 241,264	\$ (402)	\$ 20,337	\$ 29,309	\$ 73,027

[Major Drilling Group International Inc.](#)

Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

(unaudited)

	Three months ended July 31	
	2019	2018
OPERATING ACTIVITIES		
Earnings (loss) before income tax	\$ 8,027	\$ (1,271)
Operating items not involving cash		
Depreciation of property, plant and equipment	9,717	11,144

Gain on disposal of property, plant and equipment	(125)	(179)
Share-based compensation	90	149
Finance costs recognized in earnings (loss) before income tax	219	243
	17,928	10,086
Changes in non-cash operating working capital items	(5,614)	(2,933)
Finance costs paid	(219)	(243)
Income taxes paid	(1,854)	(2,012)
Cash flow from operating activities	10,241	4,898
FINANCING ACTIVITIES		
Repayment of lease liabilities (note 3)	(300)	-
Repayment of long-term debt	(265)	(735)
Cash flow used in financing activities	(565)	(735)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (note 6)	(10,565)	(5,826)
Proceeds from disposal of property, plant and equipment	266	691
Cash flow used in investing activities	(10,299)	(5,135)
Effect of exchange rate changes	98	473
DECREASE IN CASH	(525)	(499)
CASH, BEGINNING OF THE PERIOD	27,366	21,256
CASH, END OF THE PERIOD	\$ 26,841	\$ 20,757

[Major Drilling Group International Inc.](#)

Interim Condensed Consolidated Balance Sheets

As at July 31, 2019 and April 30, 2019

(in thousands of Canadian dollars)

(unaudited)

	July 31, 2019	April 30, 2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 26,841	\$ 27,366
Trade and other receivables	88,888	88,029
Note receivable	432	516
Income tax receivable	3,941	3,978
Inventories	91,310	90,325
Prepaid expenses	6,783	5,099
	218,195	215,313
NOTE RECEIVABLE	-	44
PROPERTY, PLANT AND EQUIPMENT (note 6)	166,507	164,266
DEFERRED INCOME TAX ASSETS	23,214	23,374
GOODWILL	58,084	58,300
	\$ 466,000	\$ 461,297
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	\$ 63,674	\$ 63,376
Income tax payable	1,288	1,209
Current portion of lease liabilities (note 3)	1,215	-

Current portion of long-term debt	1,094	1,060
	67,271	65,645
LEASE LIABILITIES (note 3)	3,084	-
LONG-TERM DEBT	16,017	16,298
DEFERRED INCOME TAX LIABILITIES	16,093	16,354
	102,465	98,297
SHAREHOLDERS' EQUITY		
Share capital	241,264	241,264
Reserves	(402)	(570)
Share-based payments reserve	20,337	20,247
Retained earnings	29,309	23,276
Foreign currency translation reserve	73,027	78,783
	363,535	363,000
	\$ 466,000	\$ 461,297

[Major Drilling Group International Inc.](#)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2019 AND 2018 (UNAUDITED)
(in thousands of Canadian dollars, except per share information)

1. NATURE OF ACTIVITIES

[Major Drilling Group International Inc.](#) (the "Company") is incorporated under the Canada Business Corporations Act and has its head office at 111 St. George Street, Suite 100, Moncton, NB, Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX"). The principal source of revenue consists of contract drilling for companies primarily involved in mining and mineral exploration. The Company has operations in Canada, the United States, Mexico, South America, Asia, Africa and Europe.

2. BASIS OF PRESENTATION

Statement of compliance

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies as outlined in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3.

On September 9, 2019, the Board of Directors authorized the financial statements for issue.

Basis of consolidation

These Interim Condensed Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statements of Operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group transactions, balances, income and expenses are eliminated on consolidation, where appropriate.

Basis of preparation

These Interim Condensed Consolidated Financial Statements have been prepared based on the historical

cost basis except for certain financial instruments that are measured at fair value, using the same accounting policies and methods of computation as presented in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3.

3. ADOPTION OF NEW IFRS

The Company adopted IFRS 16 Leases ("IFRS 16"), which replaces IAS 17 Leases, for its annual period beginning May 1, 2019 using the modified retrospective approach whereby no restatement of comparative periods is required. Under IAS 17, leases of property, plant and equipment were recognized as finance leases when substantially all the risks and rewards of ownership of the underlying assets were transferred. All other leases were classified as operating leases. IFRS 16 requires lessees to recognize right-of-use assets, representing its right to use the underlying asset, and lease liabilities, representing its obligation to make payments. Right-of-use assets are measured at cost, comprised of the initial measurement of the corresponding lease liabilities, lease payments made on or before the commencement date and any initial direct costs. They are subsequently depreciated on a straight-line basis and reduced by impairment losses, if any. Right-of-use assets may also be adjusted to reflect the re-measurement of related lease liabilities. Lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method and adjusted for interest and lease payments.

On transition, the Company recognized lease liabilities and right-of-use assets for 14 leases, previously classified as operating leases, in the amount of \$2,903. As permitted by IFRS 16, the Company elected not to recognize lease liabilities and right-of-use assets for short-term leases (lease term of 12 months or less) and leases of low-value assets. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets as at the transition date.

Operating lease commitments disclosed as at April 30, 2019	\$ 4,147
Less: Short-term operating lease commitments	(1,006)
	3,141
Discounted using the incremental borrowing rate	(238)
Lease liabilities recognized as at May 1, 2019	2,903
Add: Additional lease liabilities recognized during the period	1,650
Finance costs	46
Repayment of lease liabilities	(300)
	4,299
Current Portion	1,215
Balance as at July 31, 2019	\$ 3,084

Before the adoption of IFRS 16, expenses for lease liabilities were included with general and administrative expenses on the Company's Statement of Operations.

Right-of-use assets

The recognized right-of-use assets are included in property, plant and equipment on the Company's Balance Sheet.

Balance as at May 1, 2019	\$ 2,903
Add: Additional right-of-use assets recognized during the period	1,650
Depreciation	(254)
Balance as at July 31, 2019	\$ 4,299

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of financial statements, in conformity with International Financial Reporting Standards ("IFRS"), requires management to make judgments, estimates and assumptions that are not readily apparent from other sources, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Significant areas requiring the use of management estimates relate to the useful lives of property, plant and equipment for depreciation purposes, property, plant and equipment and inventory valuation, determination of income and other taxes, assumptions used in the compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, amounts recorded as accrued liabilities and allowance for doubtful accounts, and impairment testing of goodwill.

The Company applied judgment in determining the functional currency of the Company and its subsidiaries, the determination of cash-generating units (“CGUs”), the degree of componentization of property, plant and equipment, the recognition of provisions and accrued liabilities, and the determination of the probability that deferred income tax assets will be realized from future taxable earnings.

5. SEASONALITY OF OPERATIONS

The third quarter (November to January) is normally the Company’s weakest quarter due to the shutdown of mining and exploration activities, often for extended periods over the holiday season.

6. PROPERTY, PLANT AND EQUIPMENT

Capital expenditures for the three months ended July 31, 2019 were \$10,565 (2018 - \$5,826). The Company did not obtain direct financing for the three months ended July 31, 2019 or 2018.

7. INCOME TAXES

The income tax provision for the period can be reconciled to accounting earnings (loss) before income tax as follows:

	Q1 2020	Q1 2019
Earnings (loss) before income tax	\$ 8,027	\$ (1,271)
Statutory Canadian corporate income tax rate	27 %	27 %
Expected income tax provision (recovery) based on statutory rate	2,167	(343)
Non-recognition of tax benefits related to losses	95	1,027
Utilization of previously unrecognized losses	(345)	(48)
Other foreign taxes paid	168	116
Rate variances in foreign jurisdictions	(18)	(52)
Permanent differences and other	(73)	511
Income tax provision recognized in net earnings (loss)	\$ 1,994	\$ 1,211

The Company periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Company records its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax laws. While management believes they have adequately provided for the probable outcome of these matters, future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved, or when the statutes of limitations lapse.

8. EARNINGS (LOSS) PER SHARE

All of the Company’s earnings are attributable to common shares, therefore, net earnings (loss) is used in determining earnings (loss) per share.

	Q1 2020	Q1 2019
Net earnings (loss)	\$ 6,033	\$ (2,482)
Weighted average number of shares:		
Basic and diluted (000s)	80,300	80,300
Earnings (loss) per share		
Basic	\$ 0.08	\$ (0.03)
Diluted	\$ 0.08	\$ (0.03)

The calculation of diluted earnings (loss) per share for the three months ended July 31, 2019 excludes the effect of 3,230,195 options (2018 - 3,253,649) as they were anti-dilutive.

The total number of shares outstanding on July 31, 2019 was 80,299,984 (2018 - 80,299,984).

9. SEGMENTED INFORMATION

The Company's operations are divided into the following three geographic segments, corresponding to its management structure: Canada - U.S.; South and Central America; and Asia and Africa. The services provided in each of the reportable segments are essentially the same. The accounting policies of the segments are the same as those described in the Company's annual Consolidated Financial Statements for the year ended April 30, 2019, except as described in note 3. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs, general corporate expenses and income taxes. Data relating to each of the Company's reportable segments is presented as follows:

	Q1 2020	Q1 2019
Revenue		
Canada - U.S.*	\$ 60,957	\$ 51,313
South and Central America	32,686	26,740
Asia and Africa	23,816	20,432
	\$ 117,459	\$ 98,485

*Canada - U.S. includes revenue of \$26,965 and \$24,654 for Canadian operations for the three months ended July 31, 2019 and 2018, respectively.

	Q1 2020	Q1 2019
Earnings (loss) from operations		
Canada - U.S.	\$ 5,338	\$ 1,315
South and Central America	1,858	(738)
Asia and Africa	3,812	871
	11,008	1,448
Finance costs	219	243
General corporate expenses*	2,762	2,476
Income tax	1,994	1,211
	4,975	3,930
Net earnings (loss)	\$ 6,033	\$ (2,482)

*General corporate expenses include expenses for corporate offices and stock options.

Capital expenditures		
Canada - U.S.	\$ 8,464	\$ 3,843
South and Central America	742	1,774
Asia and Africa	1,206	209
Unallocated and corporate assets	153	-

Total capital expenditures	\$ 10,565	\$ 5,826
----------------------------	-----------	----------

Depreciation

Canada - U.S.	\$ 4,318	\$ 5,347
South and Central America	3,647	3,235
Asia and Africa	1,473	2,497
Unallocated and corporate assets	279	65
Total depreciation	\$ 9,717	\$ 11,144

	July 31, 2019	April 30, 2019
Identifiable assets		
Canada - U.S.*	\$ 213,057	\$ 205,871
South and Central America	140,535	147,598
Asia and Africa	108,102	104,173
Unallocated and corporate assets	4,306	3,655
Total identifiable assets	\$ 466,000	\$ 461,297

*Canada - U.S. includes property, plant and equipment at July 31, 2019 of \$32,719 (April 30, 2019 - \$31,573) for Canadian operations.

10. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, trade and other receivables, demand credit facilities and trade and other payables approximate their fair value due to the relatively short period to maturity of the instruments. The carrying value of long-term debt approximates its fair value.

Financial assets and liabilities measured at fair value are classified and disclosed in one of the following categories:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's derivatives are classified as level 2 financial instruments. There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the quarter ended July 31, 2019.

Credit risk

As at July 31, 2019, 89.0% (April 30, 2019 - 85.6%) of the Company's trade receivables were aged as current and 1.2% (April 30, 2019 - 1.1%) of the trade receivables were impaired.

The movements in the allowance for impairment of trade receivables during the three and twelve month periods were as follows:

	July 31, 2019	April 30, 2019
Opening balance	\$ 863	\$ 928
Increase in impairment allowance	86	919
Recovery of amounts previously impaired	-	(207)
Write-off charged against allowance	-	(760)

Foreign exchange translation differences	(28)	(17)
Ending balance	\$ 921	\$ 863

Foreign currency risk

As at July 31, 2019, the most significant carrying amounts of net monetary assets (which may include intercompany balances with other subsidiaries) that: (i) are denominated in currencies other than the functional currency of the respective Company subsidiary; and (ii) cause foreign exchange rate exposure, including the impact on earnings before income taxes (“EBIT”), if the corresponding rate changes by 10%, are as follows:

	Rate variance	IDR/USD	USD/CAD	MNT/USD	USD/AUD	COP/USD	USD/ZAR	Other
Net exposure on monetary assets		\$ 6,869	\$ 6,727	\$ 3,840	\$ 2,866	\$ 1,714	\$ (5,242)	\$ 2,348
EBIT impact	+/-10%	763	747	427	318	190	582	262

Liquidity risk

The following table details contractual maturities for the Company’s financial liabilities:

	1 year	2-3 years	4-5 years	Thereafter	Total
Trade and other payables	\$ 63,674	\$ -	\$ -	\$ -	\$ 63,674
Lease liabilities (interest included)	1,294	2,218	834	367	4,713
Long-term debt (interest included)	1,671	2,304	15,705	-	19,680
	\$ 66,639	\$ 4,522	\$ 16,539	\$ 367	\$ 88,067

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/334058--Major-Drilling-Announces-First-Quarter-Results---EBITDA-up-78Prozent.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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).