

Press Release

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Boliden's third quarter: Higher prices but major maintenance

Revenues for the period was SEK 11,170 m (12,510), with an operating profit, excluding revaluation of process inventory, of SEK 1,635 m (2,020). Free cash flow amounted to SEK -653 m (822).

“Investments are proceeding as planned and production in our mines and zinc smelters has remained stable over the period. However, the quarter has been affected by major maintenance shutdowns in the copper smelters, a breakdown in the nickel line in Harjavalta and some disruptions in the logistics between mines and smelting plants”, says Mikael Staffas, President and CEO.

The operating profit at Boliden Mines was unchanged at SEK 1,091 m (1,091). Lower grades and higher costs for mainly maintenance were compensated for by higher metal prices in SEK. In Aitik, mill linings were replaced and volume, both compared to the previous quarter and last year, were reduced. The copper grade for the coming five quarters is estimated to be 0.25 percent on average. The milled volumes in the Boliden Area and Tara increased both compared with the second quarter and last year, with Garpenberg noting a new milled volume record for the quarter. Also in Kevitsa, the milled volume increased compared to the previous quarter and last year, while the copper grade was on par with the previous quarter but significantly lower than last year. Mining production at Kylylahti was limited by technical challenges as the mine proceeds towards end of life during the second half of 2020.

The operating profit in Boliden Smelters excluding the revaluation of process inventory increased to SEK 716 m (589). Higher metal prices, improved zinc treatment charges and a stronger US dollar more than fully compensated for the lower volumes and higher expenses attributable to the maintenance shutdown in Rönnskär and the breakdown in the nickel line in Harjavalta. Nickel production at Harjavalta was resumed on 1 September. Kokkola's feed and zinc production was higher compared with both the second quarter and last year thanks to somewhat improved process stability. Also in Odla, feed and zinc production were high. In Bergsöe the new plastic separation plant began operations in the third quarter.

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Boliden is a metals company with a focus on sustainable development. Our roots are Nordic, but our business is global. The company's core competence is within the fields of exploration, mining, smelting and metals recycling. Boliden has a total of approximately 5,800 employees and a turnover of SEK 50 billion. Its shares is listed on NASDAQ OMX Stockholm, segment Large Cap.