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Copper Earnings Recap: Winners and Strugglers

The recent earnings reports for copper companies with market capitalizations over \$100 million reveal a mixed financial and operational landscape. While some companies exceeded expectations, others faced challenges due to cost pressures and operational inefficiencies.

Revenue Growth: Over half of the companies in the sector reported revenue growth. Notably, about one-third of these companies experienced significant growth, with standouts such as North Copper Co Ltd (000737.SZ) achieving an impressive 102.2% YoY revenue increase, and Lundin Mining Corp (LUN.TO) posting an 84.1% YoY revenue surge.

Net Income Volatility: Despite revenue gains, net income figures were more volatile. For instance, Antofagasta PLC saw a substantial 47.1% YoY drop in net income, despite its revenue growth, underscoring the impact of rising costs and other operational challenges. In contrast, Southern Copper Corp (SCCO.N) enjoyed a robust 72% increase in net income, double its YoY revenue growth, attributed to efficient operations.

EPS Trends: Earnings per share (EPS) trends also varied widely. Some companies, like First Copper Technology Co Ltd (2009.TW), showed significant improvements, with a staggering 7053.8% QoQ increase in EPS. Meanwhile, others, such as China Nonferrous Mining Corp Ltd (1258.HK), experienced a dramatic 218.8% YoY decline in EPS despite production (32.1% YoY) and revenue (46.1% YoY) gains. Antofagasta PLC also struggled with a 57.1% YoY drop in net income, despite strong production growth (51.2% YoY), highlighting operational challenges among these miners.

It Is Worth Noting:

Lundin Mining Corp (LUN.TO) emerged as one of the top performers this earnings season, with an 84.1% YoY increase in revenue and an even higher EPS growth of 104.7% YoY. This impressive growth was driven by a significant increase in production and improved operational efficiency. Following the release of its second quarter 2024 results, LUN's share price bounced back from 12.04 CAD on 7th Aug 2024 to 13.56 CAD on 21st Aug 2024, reflecting market confidence in its performance. On a YTD basis, Lundin Mining's share price has increased by 25.81%, significantly outperforming both the iShares MSCI Global Metals & Mining Producers ETF (PICK), which declined by 10.19%, and the S&P/TSX Global Base Metals Index (TXBM), which saw an increase of 6.01%. The outperformance might be attributed to its robust earnings in 2023.

Imperial Metals Corp (III.TO) also delivered strong results, with a 48.6% YoY increase in revenue and an astounding 217.5% YoY EPS growth. Despite this solid performance, its YTD share price increase of 2.80% only outperformed the broader PICK ETF, and it underperformed TXBM index. The relatively modest share price performance despite

strong earnings may be due to market concerns over future sustainability of earnings growth given its continuously negative earnings in the last 4 years.

Anhui Xinke New Materials Co Ltd (600255.SS) posted a 56.2% YoY increase in revenue and a 248.2% YoY EPS growth, highlighting its strong performance. However, its YTD share performance tells a different story, with a decline of 23.87%, significantly underperforming the PICK ETF and the TXBM Index. The underperformance could be attributed to its negative earnings in 2023, to which investors are very sensitive. Additionally, given the economic slowdown in China, market conditions have become increasingly challenging, leading to potential investor concerns over its future growth prospects as a Chinese company.

The copper sector's earnings season underscores a landscape of contrasts. Companies with efficient operations and favourable market conditions are thriving, while others struggle with rising costs and declining profitability. As global demand for copper continues to evolve, driven by infrastructure and renewable energy projects, the ability to manage costs and increase production will be key to industry leadership. However, the sector remains susceptible to external risks like fluctuating copper prices, geopolitical tensions, and economic slowdowns, which investors should closely monitor.

Please refer to Table 1 below for a detailed breakdown of the recent earnings season.

Table 1: Earnings Recap of Copper Miners Ordered by Market Capitalization

Ticker	Company Name	Market Cap (Million)	Revenue FQ0 (Million)	QoQ	YoY	NI FQ0 (Million)	QoQ	YoY	EPS FQ0	QoQ	YoY	Copper Production FQ0	QoQ	YoY
SCCO.N	Southern Copper Corp	82,708.85	3,118.30	19.9%	35.5%	951.80	30.0%	72.0%	1.21	29.6%	74.3%			
FCX.N	Freeport-McMoRan Inc	63,580.89	6,624.00	4.8%	15.5%	1,276.00	9.8%	75.0%	0.42	30.2%	80.0%	477,923.36	-4.4%	-2.8%
AMMN.JK	Amman Mineral Internasional Tbk PT	48,314.66	947.07	57.4%		386.89	166.0%		0.00	168.0%				
ANTO.L	Antofagasta PLC	24,072.14	3,434.40	18.8%	3.0%	806.00	50.6%	-47.1%	0.55	65.4%	-57.1%	365,100.00	23.6%	51.2%
CVERDEC1.LM	Sociedad Minera Cerro Verde SAA	14,002.24	1,257.35	37.9%	28.3%	316.25	73.2%	431.1%	0.90	73.2%	431.4%			
FM.TO	First Quantum Minerals Ltd	10,260.15	1,231.00	18.8%	-25.4%	(120.00)	48.1%	-220.0%	(0.06)	73.9%	-141.0%	102,709.00	2.1%	-45.1%
600362.SS	Jiangxi Copper Co Ltd	8,454.68	16,968.36	-1.6%	-8.8%	249.36	8.9%	-2.9%	0.07	7.9%	-7.1%			
LUN.TO	Lundin Mining Corp	7,480.38	1,083.59	15.6%	84.1%	156.73	167.7%	155.7%	0.16	772.2%	104.7%	79,708.00	-9.4%	32.7%
KGH.WA	KGHM Polska Miedz SA	7,191.84	2,279.62	8.9%	13.3%	161.68	51.4%	176.9%	0.81	51.4%	184.1%			
000630.SZ	Tongling Nonferrous Metals Group Co Ltd	5,571.15	4,531.68	-7.7%	-9.4%	189.93	195.2%	4.6%	0.01	775.6%	-15.1%			
CS.TO	Capstone Copper Corp	5,358.70	393.05	15.6%	17.7%	27.49	576.8%	181.1%	0.04	686.3%	174.0%	40,937.00	-2.8%	4.2%
HCPR.NS	Hindustan Copper Ltd	3,731.25	59.22	-12.7%	31.0%	13.60	-9.1%	136.2%	0.01	-9.3%	135.2%			
NAFG.DE	Aurubis AG	3,277.13	5,024.76	7.0%	10.5%	166.86	88.0%	364.2%	3.83	88.7%	368.6%	282,000.00	0.4%	3.7%
000878.SZ	Yunnan Copper Co Ltd	3,126.65	4,368.10	-14.9%	-0.2%	92.33	114.1%	-0.8%	0.03	625.3%	-10.3%			
1258.HK	China Nonferrous Mining Corp Ltd	2,680.42	1,762.64	-4.4%	-6.6%	117.48	-55.5%	28.9%	0.02	-50.5%	32.1%	211,675.00	-2.2%	-5.1%
SFR.AX	Sandfire Resources Ltd	2,658.55	417.94	12.3%	-3.2%	(53.89)	-112.3%	-90.6%	(0.12)	-97.4%	-78.5%	45,435.00	26.3%	-5.5%
002203.SZ	Zhejiang Hailiang Co Ltd	2,273.23	3,026.52	242.1%	6.7%	40.49	79.1%	-18.5%	0.02	111.0%	-10.8%			
000737.SZ	North Copper Co Ltd	2,174.63	763.23	131.0%	102.4%	32.63	133.5%	17.0%	0.02	133.5%	17.0%			
ERO.TO	Ero Copper Corp	2,051.34	117.09	10.7%	11.6%	(53.40)	-681.8%	-278.3%	(0.52)	-643.3%	-261.9%	9,009.11	9.6%	-26.1%
SPCCPI1.LM	Southern Peru Copper Corporation (Lima Branch)	1,754.16	1,246.74	21.2%	40.6%	404.01	11.3%	21.1%	7.01	11.3%	21.1%			
301217.SZ	Anhui Tongguan Copper Foil Group Co Ltd	1,092.33	123.60	-12.9%	-0.6%	(3.84)	-339.8%	-201.5%	(0.00)	-339.7%	-201.5%			
601609.SS	Ningbo Jintian Copper Group Co Ltd	1,046.56	4,546.71	32.2%	12.4%	-								
2362.HK	Jinchuan Group International Resources Co Ltd	898.93	311.75	-4.7%	-8.9%	(0.63)	93.7%	99.0%	0.00	108.0%	102.1%	31,806.00	5.3%	3.8%
MTAL.N	Metals Acquisition Ltd	820.46	-			-								
688102.SS	Shaanxi Sirui Advanced Materials Co Ltd	777.65	46.34	16.5%	9.0%	4.33	26.5%	2.5%	0.01	26.8%	1.0%			
ATYM.L	Atalaya Mining PLC	699.28	98.78	30.9%	14.5%	15.56	785.8%	54.9%	0.12	638.5%	55.1%	11,583.00	8.6%	-18.5%
600490.SS	Pengxin International Mining Co Ltd	691.87	82.59	-51.6%	-71.7%	2.79	123.4%	84.4%	0.00	142.9%	26.0%			
TKO.TO	Taseko Mines Ltd	664.95	100.70	-7.2%	19.1%	(8.01)	-157.4%	-206.1%	(0.03)	-157.1%	-204.9%			
PUCOBRE.SN	Sociedad Punta del Cobre SA	661.67	98.40	21.8%	40.8%	20.10	101.5%	1961.9%	0.16	101.5%	1962.1%			
2009.TW	First Copper Technology Co Ltd	481.82	27.35	34.2%	36.8%	1.63	7048.1%	184.4%	0.00	7053.8%	184.4%			
CAML.L	Central Asia Metals PLC	465.43	101.67	8.6%	-5.0%	16.60	-20.4%	185.5%	0.09	-19.9%	184.5%	7,100.00	5.7%	-7.0%
600255.SS	Anhui Xinke New Materials Co Ltd	453.78	130.88	5.0%	56.2%	4.60	173.3%	290.8%	0.00	200.8%	248.2%			
SOLG.L	SolGold PLC	394.46	-			-								
MARI.TO	Marimaca Copper Corp	282.83	-			-								
KME.MI	KME Group SpA	282.34	879.69	-25.6%	-26.4%	(74.71)	-422.8%	-343.2%	(0.92)	-1533.6%	-765.5%			
AT.PS	Atlas Consolidated Mining and Development Corp	271.27	117.40	23.0%	31.6%	25.79	157.2%	164.7%	0.01	157.2%	164.7%			
III.TO	Imperial Metals Corp	260.01	96.32	54.2%	48.6%	14.89	320.0%	222.8%	0.09	320.0%	217.5%			
002295.SZ	Guangdong JingYi Metal Co Ltd	175.60	100.56		23.1%	0.99		-3.1%	0.00		9.9%			
CPRJ.J	Copper 360 Ltd	148.65	-			-								

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0661.HK	China Daye Non-Ferrous Metals Mining Ltd	133.27	3,327.31	14.0%	46.13%	16.65	43.2%	453.4%	(0.00)	-533.9%	-218.8%	321,211.00	0.6%	32.1%
ASCU.TO	Arizona Sonoran Copper Company Inc	129.66	-			-								
ALDE.V	Aldebaran Resources Inc	116.75	-			-								
AIS.AX	Aeris Resources Ltd	112.87	194.98	-3.3%	-7.7%	(12.78)	78.7%	62.3%	(0.01)	83.3%	70.4%	14,528.00		
FDY.TO	Faraday Copper Corp	112.61	-			-								

1. **GICS Sub-Industry:** Copper
2. **Currency:** USD
3. **Copper Production:** Measured in metric tons
4. **Note:** Companies highlighted in blue do not have a quarterly report; a semi-annual report is provided.

Source: The share price and benchmark indices data are as of 22nd Aug 2024 from Google Finance; Table 1 data is from Refinitiv.

