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07/28/2022



Financial Results 2Q22

Vale released, on this date, its financial statements for 2Q22.

“As we celebrate our 80 years of operations in Brazil, we take this opportunity to reflect on our journey, challenges, and evolution. We are reinventing the way we operate, while committed to becoming one of the industry's safest and most reliable companies in the world. We move ahead with the conviction that mining is essential for the development of society and that it only serves its purpose by generating prosperity for all and taking care of the planet. In that sense, we continued to make progress in our decarbonization agenda and strengthening relationships with our neighbor communities. With the substantial reshaping of our business, such as the sale of the Midwestern System, the company is much better prepared to deliver on its production recovery agenda. We stay committed to a disciplined capital allocation and to generating and returning value to our shareholders, as further evidenced by the announcement to pay US\$ 3 billion in dividends”, commented Eduardo Bartolomeo, Chief Executive Officer.

Highlights in 2Q22:

In our operations:

- At the steel decarbonization front, we secured natural gas supply to our pellet plant in São Luís, Maranhão, which will allow for the usage of natural gas in 100% of our pelletizing plants by 2024.
- As part of our Powershift program, we received our second 100%-electric battery-powered locomotive.
- In April, we signed a MoU with Nippon Steel Corporation to pursue ironmaking solutions focused on the carbon neutral steelmaking process, in line with our commitment to reducing 15% of net Scope 3 emissions by 2035.
- In our Base Metals operations, we had important advancements in de-risking with the conclusion of the planned maintenance of the Copper Cliff Smelter and Refinery and Long Harbour, Clydach and Matsusaka refineries.
- Additionally, we concluded the pre-feasibility study for a 110ktpy nickel sulfate project, the chemical compound used to produce nickel-based lithium-ion batteries.

In our de-characterization program:

- In July, we concluded Baixo João Pereira and Dike 4 de-characterizations , being the first two of five structures to be eliminated this year.
- We have removed approximately 40% of the tailings from the B3/B4 dam, currently at emergency level 3, and we expect to finalize its decharacterization by 2025.
- In Itabira, we have concluded the backup dam for Coqueirinho, increasing safety during de-characterization activities for Dique Minervino and Cordão Nova Vista, which we expect to eliminate by 2029.

In portfolio optimization:

- We concluded the sale of the Midwestern System's iron ore, manganese, and logistics assets.
- We also entered, together with our partners Posco and Dongkuk, into a binding agreement with ArcelorMittal to sell Companhia Siderúrgica do Pecém - CSP".
- In Base Metals, PTVI, Huayou, and Ford Motor Co. signed a memorandum of understanding to create a three-party relationship in Indonesia to process nickel ore mined by PTVI at Pomalaa Block, Kolaka, Southeast Sulawesi

In capital allocation and sharing value:

- As part of our liability management program, we successfully concluded the US\$ 1.3 billion tender offer for our notes in June.
- Today, our Board of Directors approved US\$ 3.0 billion dividends and Interest on Capital to be paid in September and we progressed with our third consecutive share buyback program.

In business performance:

- In 2Q22, Vale reported a proforma adjusted EBITDA from continued operations of US\$ 5.534 billion, US\$ 840 million lower than 1Q22, reflecting the decline in iron ore and copper prices at the end of the quarter, but partially compensated by higher iron ore sales
- Gross debt and leases totaled US\$ 12.608 billion as of June 30, 2022, US\$ 1.407 billion lower q/q, mainly due to the tender offer for Vale's notes. Expanded net debt decreased to US\$ 18.558 billion, mostly attributed to the Brazilian Real depreciation effect on the commitments denominated in local currency, partially offset by the mark-to-market losses on the foreign exchange hedge positions.

For additional highlights and detailed information on Vale's 2Q22 performance, [*please visit our website.*](#)

Vale invites its shareholders to join the Company on a conference call with webcast to discuss its 2Q22 performance, on Friday, July 29, 2022. It will be held in English, with simultaneous translation into Portuguese, beginning at 11:00 AM, Brasilia time, 10:00 AM New York time and 3:00 PM London time. [*Find out the dial in to conference call/webcast here.*](#)

More information

