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Vale's Performance in 3Q21

Vale released, on this date, its financial statements for 3Q21.

"In this third quarter, our iron ore production was close to 90 million tons, with meaningful progress in the operational resumption of the Vargem Grande Complex. We continue to work towards improving operational reliability, especially in the Base Metals business. Our cash generation remains robust, surpassing last quarter by 18%, a pace that allowed the payment of historic dividends in 2021. We now announce a new buyback program, which demonstrates our confidence in Vale's potential. By maintaining our value-over-volume strategy and optimizing costs, we will continue to create and share value with our shareholders", commented Eduardo Bartolomeo, Chief Executive Officer.

Highlights in 3Q21:

- Cash generation in the quarter reached US\$ 7.765 billion, US\$ 1.238 billion higher than 2Q21, given the positive impact of working capital variation, which was mainly driven by a significant decrease in accounts receivable explained by the combined effect of (i) strong collection from elevated accrual sales volume and price registered in 2Q21; and (ii) lower accrual sales volumes and price registered in 3Q21.
- Consistent with our capital allocation strategy, in September Vale distributed US\$ 7.391 billion to shareholders based on the results of the first half of 2021. Considering the dividends distributed in March and June, US\$ 13.5 billion has been returned directly to shareholders in 2021.
- In continuity with the concluding 270 million shares buyback program, the Board of Directors approved a new share buyback program of up to 200 million shares, equivalent to 4.1% of the currently outstanding shares of the company.
- A proforma adjusted EBITDA of US\$ 7.109 billion was recorded in 3Q21, US\$ 4.130 billion lower than 2Q21, mainly due to lower revenues in Ferrous Minerals, following 31% lower iron ore fines realized prices, and in the Base Metals business, with lower nickel byproducts revenues and the impacts from the labor disruption in Sudbury.
- In the resumption of our Iron Ore production, we started the Maravilhas III dam operation and the long-distance conveyor belt commissioning, in the Vargem Grande Complex. At the end of commissioning, an increase of 6 Mtpy is expected in the production capacity of the site. In the Fábrica site, we reached full capacity after the resumption of beneficiation plants in 2Q21. In the Mariana Complex, we resumed the regular operation of the EFVM railroad on the Fábrica Nova branch, improving the logistics of the production from the Timbopeba plant.
- In Brumadinho's reparation, we are implementing the Integral Reparation Agreement. Until September, we paid R\$ 3.9 billion in relation to our commitments, such as the water safety program and the first instalments for projects in urban mobility and the reinforcement of public service programs. For 4Q21 we expect to pay approximately R\$ 9.2 billion, out of which R\$ 4.4 billion related to the income transfer program.

For additional highlights and detailed information on Vale's 3Q21 performance, please visit [our website](#).

Vale invites its shareholders to join the Company on the two conference calls with webcasts to discuss its 3Q21 performance, on Thursday, October 29th, 2021. The first one, in Portuguese, will begin at 10 am, Brasilia time. The second one, in English, will begin at 12:00 pm Brasilia time, 11:00 a.m. New York time and 4:00 p.m. London time.

Find out the dial-in to conference calls/webcasts [here](#)

More information



Media Relations Office

imprensa@vale.com

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