



# Franco-Nevada Corp. (FNV)

Updated November 13<sup>th</sup>, 2025 by Quinn Mohammed

## Key Metrics

<b>Current Price:</b>	\$199	<b>5 Year CAGR Estimate:</b>	4.2%	<b>Market Cap:</b>	\$39 B
<b>Fair Value Price:</b>	\$202	<b>5 Year Growth Estimate:</b>	3.0%	<b>Ex-Dividend Date<sup>1</sup>:</b>	12/04/2025
<b>% Fair Value:</b>	98%	<b>5 Year Valuation Multiple Estimate:</b>	0.3%	<b>Dividend Payment Date<sup>1</sup>:</b>	12/18/2025
<b>Dividend Yield:</b>	0.8%	<b>5 Year Price Target</b>	\$234	<b>Years Of Dividend Growth:</b>	18
<b>Dividend Risk Score:</b>	C	<b>Sector:</b>	Materials	<b>Rating:</b>	Hold

## Overview & Current Events

Franco-Nevada Corporation (FNV) is a royalty and stream company focused on gold and other precious metals, and oil and gas. The company's cash-flow producing portfolio is actively managed and aims to maintain over 80% of revenue from precious metals. The business model is to grow and build the portfolio of royalties and streams, thus it does not operate mines or conduct exploration. This lean business model allows for the \$39 billion market cap company to employ only 38 full-time employees. The corporation is still exposed to commodity price fluctuations in the short-term but utilizes the commodity down cycles to opportunistically make investments. The corporation was founded in 1983 as a mining royalty business. In 2002, it was acquired by Newmont Mining for \$2.5 billion. On December 20, 2007, the original FNV team repurchased the royalty portfolio for \$1.2 billion by launching an IPO with the newly incorporated Franco-Nevada. The corporation is headquartered in Toronto and trades on both the Toronto and New York Stock Exchanges under the ticker symbol FNV. FNV has raised its dividend for 18 consecutive years.

Franco-Nevada took a \$1.2 billion impairment loss on Cobre Panama in 2023 due to the production halt since November 2023 as a result of a mining moratorium. This is significant because Cobre Panama represented 20% of 2023 revenue. A new president of Panama was inaugurated into office on July 1<sup>st</sup>, 2024. He announced the government will conduct a strict environmental audit of the Cobre Panama mine, and so far, has authorized the restart of the power station, which is expected in Q4 2025. Additionally, nearly 123 thousand dry metric tonnes of copper concentrate that were stored on site since November 2023 was shipped in the third quarter.

On November 3<sup>rd</sup>, 2025, Franco-Nevada reported third quarter 2025 results. Gold Equivalent Ounces (GEOs) sold increased 26% compared to third quarter 2024. Revenue soared 77% year-over-year to \$488 million, which was a new record. Adjusted net income jumped 79% to \$275 million, resulting in adjusted net income per share of \$1.43. The company narrowed its 2025 GEO sales forecast to 495,000 - 525,000 GEOs.

## Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
<b>Adj. NIPS</b>	\$0.57	\$0.94	\$1.08	\$1.17	\$1.82	\$2.71	\$3.52	\$3.64	\$3.56	\$3.21	<b>\$5.32</b>	<b>\$6.17</b>
<b>DPS</b>	\$0.83	\$0.87	\$0.91	\$0.95	\$0.99	\$1.03	\$1.16	\$1.28	\$1.36	\$1.44	<b>\$1.52</b>	<b>\$2.23</b>
<b>Shares<sup>2</sup></b>	158.0	178.5	185.9	186.7	189.4	191.0	191.5	191.9	192.3	192.6	<b>193.0</b>	<b>200.0</b>

Franco-Nevada measures its growth using adjusted net income per share, which adjusts for impairment charges and reversals, foreign exchange gains and losses and other income and expenses. For a company involved in commodities, net income has remained consistent and stable as Franco-Nevada has limited exposure to many of the risks operating companies may face. Management can focus on growth rather than operational or development issues.

The company has a long runway of growth still ahead of it. Its new metals stream and natural gas royalties have immediately added cash flow. Further portfolio additions would likely do the same, though it is not baked into its immediate growth outlook. GEOs sold are expected to increase over the next five years. The existing portfolio is

<sup>1</sup> Estimate

<sup>2</sup> In millions

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expected to produce roughly 495,000 to 525,000 total GEOs in 2029. This outlook assumes new mines at Stibnite, Copper World, Eskay Creek, and Taca Taca, expansions at Vale, Antapaccay/Corocchohuayco, Candelaria and Magino, and the acquisitions of Western Limb, Yanacocha, and Porcupine. The number of GEOs could come in 175K GEOs higher with Côte and if Cobre Panama resumes production at full capacity.

We expect the company’s adjusted net income per share to increase by 3.0% annually through 2030. In the past nine and five years, FNV grew adjusted net income per share at a 21.2% and 12.0% CAGR, respectively.

## Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/ANI	85.1	69.4	67.6	60.2	46.6	50.0	39.1	37.7	38.8	37.3	37.4	38.0
Avg. Yld.	1.7%	1.3%	1.2%	1.3%	1.1%	0.8%	0.8%	0.9%	1.0%	1.2%	0.8%	1.0%

Franco-Nevada has traded at a price-to-adjusted-net-income ratio of 53.2 on average in the past ten years, and 40.6 in the past five years. While shares trade at 37.4 times estimated 2025 adjusted net income, we believe fair value can be as high as 38.0 times, which implies a small valuation tailwind. The dividend yield is likely to remain around 1.0%.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

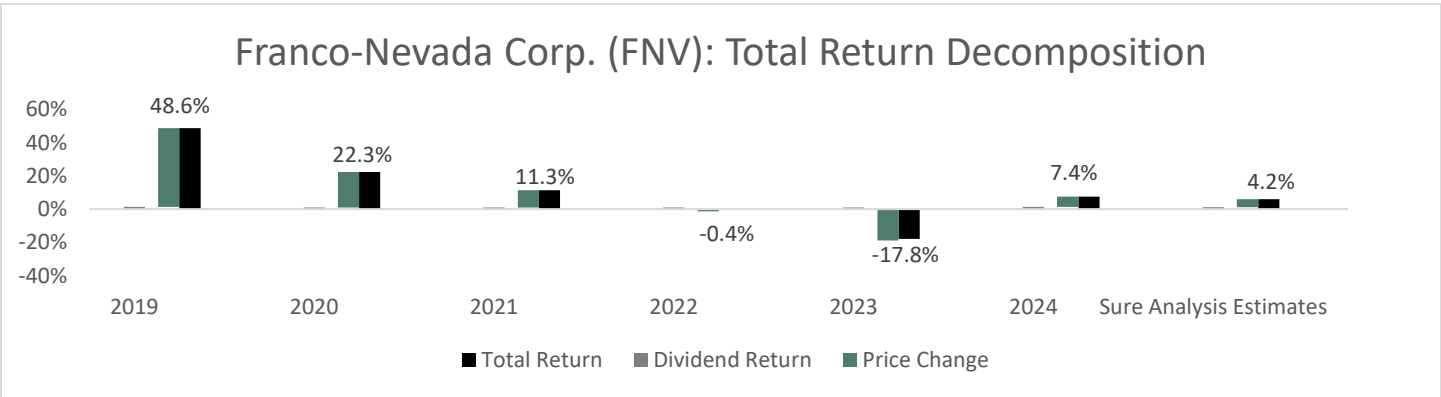
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	146%	93%	84%	81%	54%	38%	33%	35%	38%	45%	29%	36%

The business model Franco-Nevada has embraced is a competitive advantage, as it has gained upside exposure to commodity markets and the commodity cycle without many of the downsides. Furthermore, FNV demonstrates a robust performance relative to its industry peers, achieving an adjusted EBITDA margin of 86% for 2024. Even more, the corporation has \$1.85 billion in available capital on September 30, 2025. The company is diversified geographically across the entire world, with the bulk of GEOs in Latin America, then Canada and America, and the rest of the world. They are also diversified in metals (gold, silver, PGM) and oil and gas (oil, gas, NGL). Franco-Nevada as we know it was born during the great recession, and adjusted net income fell 60% between 2008-2009, but then returned and surpassed prior levels within one year.

## Final Thoughts & Recommendation

Franco-Nevada is a leaner and more risk-averse play on the commodity price upside than directly owning mining or energy companies. This safe approach has led to 18 consecutive dividend raises since the corporation IPOd, and we see this continuing. According to our estimates, the company stock today possesses little margin of safety at 98% of our fair value estimate. Given 4.2% in expected annualized total returns, FNV earns a hold rating, and we remark that it is a high-quality business that often trades at a premium.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	444	610	675	653	844	1,020	1,300	1316	1219	1114
Gross Profit	134	231	260	287	436	620	822	853	767	759
Gross Margin	30.3%	37.8%	38.5%	44.0%	51.7%	60.8%	63.2%	64.8%	62.9%	68.1%
SG&A Exp.	15	21	25	23	29	29	31	33	29	35
Operating Profit	116	207	235	265	407	592	791	820	738	725
Operating Margin	26.2%	33.8%	34.8%	40.5%	48.3%	58.0%	60.9%	62.3%	60.5%	65.1%
Net Profit	25	122	195	139	344	326	734	701	-466	552
Net Margin	5.5%	20.0%	28.8%	21.3%	40.8%	32.0%	56.4%	53.2%	-38.2%	49.6%
Free Cash Flow	-706	-276	-13	-515	173	491	195	858	470	422
Income Tax	24	46	41	50	62	13	124	133	102	212

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	3,674	4,222	4,788	4,932	5,281	5,593		6627	5994	6330
Cash & Equivalents	149	253	511	70	132	534		1197	1422	1451
Accounts Receivable	65	71	66	76	98	93		136	111	152
Inventories	0	3	7	0	4	1		0	1	97
Total Liabilities	511	75	83	300	218	149		209	225	334
Accounts Payable	6	10	6	7	7	4		7	6	29
Long-Term Debt	457	0	0	208	80	0	0	0	0	0
Shareholder's Equity	3,163	4,147	4,706	4,632	5,062	5,444		6418	5769	5997
LTD/E Ratio	0.14	0.00	0.00	0.04	0.02	0.00		0.00	0.00	0.00

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.7%	3.1%	4.3%	2.9%	6.7%	6.0%		10.9%	-7.4%	9.0%
Return on Equity	0.7%	3.3%	4.4%	3.0%	7.1%	6.2%		11.3%	-7.7%	9.4%
ROIC	0.7%	3.1%	4.4%	2.9%	6.9%	6.2%		11.3%	-7.7%	9.4%
Shares Out.	157	176	183	186	188	191	192	191.9	192.3	192.6
Revenue/Share	2.83	3.46	3.68	3.50	4.49	5.35	6.79	6.9	6.3	5.8
FCF/Share	-4.50	-1.57	-0.07	-2.76	0.92	2.58	1.02	4.5	2.4	2.2

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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