



# Royal Gold Inc. (RGLD)

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

## Key Metrics

Current Price:	\$192	5 Year CAGR Estimate:	11.7%	Market Cap:	\$16 B
Fair Value Price:	\$252	5 Year Growth Estimate:	5.0%	Ex-Dividend Date <sup>1</sup> :	01/03/2026
% Fair Value:	76%	5 Year Valuation Multiple Estimate:	5.6%	Dividend Payment Date <sup>1</sup> :	01/17/2026
Dividend Yield:	0.9%	5 Year Price Target	\$322	Years Of Dividend Growth:	24
Dividend Risk Score:	B	Sector:	Materials	Rating:	Hold

## Overview & Current Events

Royal Gold Inc. is a precious metals royalty and streaming company that owns interests in some of the world's most desirable mines. The corporation's main focus is acquiring and managing precious metal stream and royalty interests. This business model provides exposure to higher metal prices and future product expansion while limiting downside by having limited exposure to operating and capital cost risks. The business model is also efficient. The \$16 billion market capitalization company has only about 30 employees. The majority of its revenue is generated in Canada, Mexico, Chile, and the USA. In 1981, Royal Resources Corporation was an oil and gas exploration and production company. After a series of stock market downturns, the company refocused in the late 1980s and established the high margin streaming business known today as Royal Gold. Royal Gold trades under the symbol RGLD on the NASDAQ and is headquartered in Denver, Colorado. RGLD has raised the dividend consecutively in the last twenty-four years.

On October 20<sup>th</sup>, 2025, Royal closed on its acquisition of Sandstorm Gold Ltd. and Horizon Copper Corp. To fund the acquisitions, Royal issued roughly 18.6 million common shares, raising its share count to 84.4 million, and drew \$450 million on its revolving credit facility.

On November 5<sup>th</sup>, 2025, Royal Gold reported results for the third quarter of 2025. RGLD reported adjusted net income of \$2.06 per diluted share compared to \$1.47 in Q3 2024.

The company ended the period with a net debt / (cash) to trailing twelve months adjusted EBITDA ratio of 0.85X, with \$173 million of cash and equivalents and total available liquidity of roughly \$813 million.

During the quarter, Royal Gold acquired a gold stream on the Kansanshi Mine in Zambia. Royal agreed to a \$1 billion advance for a gold stream linked to copper production.

## Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Adj. NIPS	\$0.80	\$1.00	\$1.55	\$1.76	\$1.51	\$2.47	\$4.00	\$3.43	\$3.53	\$5.26	<b>\$7.88</b>	<b>\$10.06</b>
DPS	\$0.88	\$0.92	\$0.96	\$1.00	\$1.06	\$1.12	\$1.20	\$1.40	\$1.50	\$1.60	<b>\$1.80</b>	<b>\$2.64</b>
Shares <sup>2</sup>	65.1	65.1	65.3	65.3	65.5	65.6	65.6	65.6	65.7	65.8	<b>85.0</b>	<b>88.0</b>

Royal Gold measures its growth using adjusted net income per share, which adjusts for fair value changes in equity securities, gain or losses on sales of project interests, and discrete tax benefits. Results have been somewhat choppy over the last decade, but over the long term, Royal Gold's adjusted net income trends upwards. In the last nine years, adjusted net income per share grew 23.3% on average and in the last five years it grew by 28.4% on average.

Revenue growth is expected to come from Royal's newer producers, Manh Choh, Côté Gold, Mara Rosa, Bellevue, and King of the Hills. New revenue should also come from development projects moving into production, such as Back River. An increase in precious metals prices would also naturally support organic growth within the company's streams and royalty portfolio, as has been the case throughout 2025.

<sup>1</sup> Estimate

<sup>2</sup> In millions



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The company is active in making acquisitions, such as the Red Chris Mine royalty and NX Gold Mine (now Xavantina) gold stream acquisitions in August 2021. And in July and August 2022, Royal Gold acquired Great Bear Royalties Corporation and a sliding-scale gross royalty on the Cortez Complex in Nevada. In 2023, Royal Gold acquired gold, platinum, palladium, and copper and nickel royalty interests on the producing Serrote and Santa Rita mines in Brazil for \$250 million. In 2024, it purchased royalty interests in Back River Gold District and Cactus Project (\$55M). And it acquired Sandstorm and Horizon in 2025.

We anticipate that adjusted earnings per share will increase at a modest annual rate of 5% going forward, reflecting the elevated comparative base established this year. Investing cash flow into more royalty and streams, or new mine expansions which RGLD has an interest in, would likely cause growth to come in even higher.

## Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/ANI	70.4	62.4	50.9	47.3	69.3	47.7	29.5	32.2	33.9	24.7	<b>24.4</b>	<b>32.0</b>
Avg. Yld.	1.6%	1.6%	1.2%	1.2%	1.0%	1.0%	1.0%	1.2%	1.2%	1.2%	<b>0.9%</b>	<b>0.8%</b>

Royal Gold has traded at a price-to-adjusted-net-income of 46.8 on average in the past ten years, and 33.6 in the past five years. Shares trade at 24.4 times estimated 2025 adjusted net income per share, which is below where we peg fair value. As a result, we expect a positive impact on total returns due to valuation expansion. The dividend yield is expected to remain around 0.9%. The dividend is well covered and poised to rise for years to come.

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

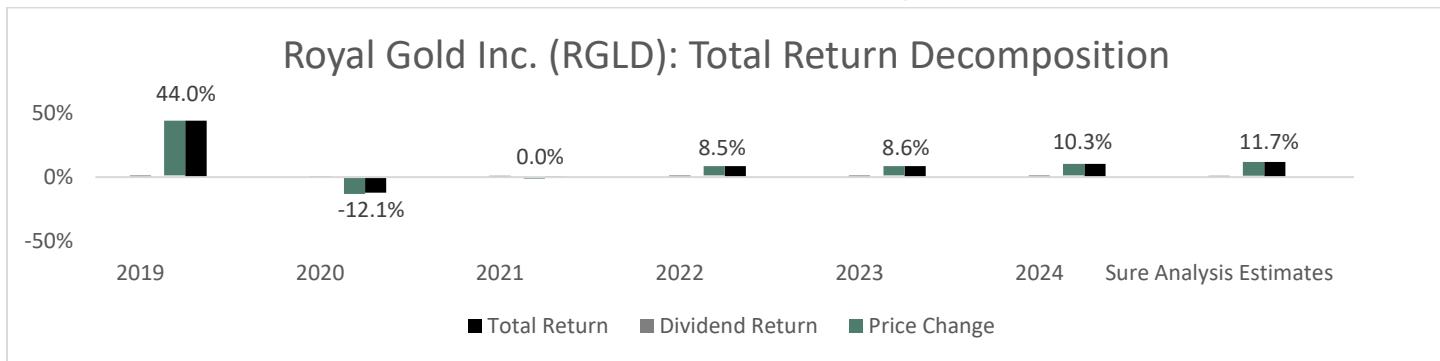
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	110%	92%	62%	57%	70%	45%	30%	41%	42%	30%	<b>23%</b>	<b>26%</b>

Royal Gold does not have any particular competitive advantage over other precious metals streaming companies, but the metals royalty and streams business model has an advantage over regular mining and basic materials companies. The business model provides upside exposure to commodity markets and the commodity cycle without many of the downsides. The corporation has a \$602 million net debt position, and a net debt / (cash) to trailing adjusted EBITDA ratio of 0.85X. Royal Gold appears to be quite recession resistant as adjusted net income barely budged during the great financial crisis until it dropped in 2010 and then surpassed prior levels in one year. In many past stock market declines, the price of gold has risen as stocks are crushed which would be an advantage for RGLD if the trend reoccurs.

## Final Thoughts & Recommendation

Shares of Royal Gold have increased by 37% in the trailing one year, and the company now trades at 76% of our fair value estimate. The stock sports a 0.9% yield which has grown for twenty-four years. We forecast 5.0% earnings per share growth and a 5.6% valuation tailwind, resulting in annualized total returns of 11.7%. RGLD remains a hold.

## Total Return Breakdown by Year



*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenue</b>	278	360	441	459	423	499	343	603	606	719
<b>Gross Profit</b>	146	144	192	209	178	236	187	323	343	471
<b>Gross Margin</b>	52.4%	39.9%	43.6%	45.6%	42.2%	47.2%	54.4%	53.5%	56.6%	65.4%
<b>SG&amp;A Exp.</b>	25	32	33	35	30	30	15	35	40	41
<b>Operating Profit</b>	119	103	146	165	141	200	171	288	303	430
<b>Operating Margin</b>	42.6%	28.7%	33.1%	35.9%	33.3%	40.2%	50.0%	47.7%	50.0%	59.8%
<b>Net Profit</b>	52	-77	102	-113	94	199	138	239	239	332
<b>Net Margin</b>	18.7%	-21.4%	23.0%	-24.6%	22.2%	40.0%	40.3%	39.6%	39.4%	46.2%
<b>Free Cash Flow</b>	132	-1177	63	317	252	185	-32	-505	413	427
<b>Income Tax</b>	10	61	26	15	17	-4	30	33	42	94

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Assets</b>	2917	3070	3094	2682	2544	2766	2757	3535	3361	3392
<b>Cash &amp; Equivalents</b>	743	117	86	89	119	319	144	119	104	196
<b>Accounts Receivable</b>	38	18	27	26	21	28	54	49	49	63
<b>Inventories</b>	2	9	8	9	11	12	12	13	10	13
<b>Total Liabilities</b>	501	784	774	541	374	464	156	781	460	261
<b>Accounts Payable</b>	5	4	4	9	3	2	6	7	11	11
<b>Long-Term Debt</b>	314	601	586	351	215	300	0	572	246	0
<b>Shareholder's Equity</b>	2353	2229	2275	2102	2137	2272	2589	2741	2888	3119
<b>D/E Ratio</b>	0.13	0.27	0.26	0.17	0.10	0.13	0.00	0.21	0.09	0.00

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Return on Assets</b>	1.8%	-2.6%	3.3%	-3.9%	3.6%	7.5%	5.1%	7.6%	6.9%	9.8%
<b>Return on Equity</b>	2.2%	-3.4%	4.5%	-5.2%	4.4%	9.0%	5.4%	9.0%	8.5%	11.0%
<b>ROIC</b>	1.9%	-2.7%	3.5%	-4.2%	3.8%	8.0%	5.4%	8.1%	7.4%	10.6%
<b>Shares Out.</b>	65.1	65.1	65.3	65.3	65.5	65.6	65.6	65.7	65.7	65.8
<b>Revenue/Share</b>	4.27	5.53	6.75	7.03	6.46	7.60	5.23	9.19	9.21	10.94
<b>FCF/Share</b>	2.02	-18.08	0.97	4.86	3.85	2.81	-0.49	-7.69	6.28	6.49

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

## Disclaimer

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