



# Canadian Natural Resources (CNQ)

Updated May 18<sup>th</sup>, 2026 by Aristofanis Papadatos

## Key Metrics

<b>Current Price:</b>	\$48	<b>5 Year CAGR Estimate:</b>	-0.6%	<b>Market Cap:</b>	\$100 B
<b>Fair Value Price:</b>	\$48	<b>5 Year Growth Estimate:</b>	-5.0%	<b>Ex-Dividend Date:</b>	6/19/2026
<b>% Fair Value:</b>	100%	<b>5 Year Valuation Multiple Estimate:</b>	0.0%	<b>Dividend Payment Date:</b>	7/7/2026
<b>Dividend Yield:</b>	3.8%	<b>5 Year Price Target</b>	\$37	<b>Years Of Dividend Growth<sup>1</sup>:</b>	27
<b>Dividend Risk Score:</b>	F	<b>Sector:</b>	Energy	<b>Rating:</b>	Hold

## Overview & Current Events

Canadian Natural Resources is an energy company that operates in the acquisition, exploration, development, production, marketing, and sale of crude oil, natural gas liquids (NGLs), and natural gas. It is headquartered in Calgary, Alberta, and the common stock is cross listed on the Toronto Stock Exchange and the New York Stock Exchange, where it trades with a market capitalization of US\$100 billion. All the figures in this report are in U.S. dollars. On June 11<sup>th</sup>, 2024, Canadian Natural Resources executed a two-for-one split. All the figures in this report have been adjusted for this split. In early May, Canadian Natural Resources reported (5/7/26) results for the first quarter of 2026. The company grew its production 4% over the prior year's quarter, thanks to acquisitions and organic growth. In addition, the average realized price of oil improved. As a result, the earnings-per-share of Canadian Natural Resources edged up 1%.

Canadian Natural Resources has raised its quarterly dividend by 6% and thus it has now grown its dividend (in CAD) for 27 consecutive years, at a compound annual growth rate of 20%. This is an admirable accomplishment for a company that belongs to the highly cyclical energy sector. Management reiterated its guidance for average production of 1,615-1,665 barrels per day in 2026, implying 4.5% growth at the mid-point. Given the strong tailwind from sky-high oil prices amid the crisis in Iran, we have raised our forecast for earnings-per-share in 2026 from \$2.60 to \$4.00.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	-\$0.22	\$0.46	\$1.03	\$1.20	-\$0.26	\$2.47	\$4.12	\$2.85	\$2.42	\$2.60	<b>\$4.00</b>	<b>\$3.10</b>
<b>DPS</b>	\$0.34	\$0.42	\$0.50	\$0.57	\$0.63	\$0.80	\$1.20	\$1.37	\$1.55	\$1.69	<b>\$1.82</b>	<b>\$1.96</b>
<b>Shares<sup>2</sup></b>	2,202	2,446	2,382	2,368	2,366	2,370	2,240	2,180	2,107	2,091	<b>2,070</b>	<b>2,000</b>

As Canadian Natural Resources is an almost pure upstream company, its financial performance has been extremely volatile over the last decade. Given its high sensitivity to commodity prices, it is nearly impossible to make accurate forecasts. The company posted record earnings in 2021 and 2022 thanks to high prices of oil and gas. Moreover, Canadian Natural Resources grew its proved reserves by 11% in 2019, 10% in 2020, 6% in 2021, 6% in 2022, 2% in 2023, 9% in 2024 and 4% in 2025 and thus enhanced its reserve life index to 31 years. As this figure is nearly triple the average life of reserves of its peers (~11 years), it is impressive and certainly bodes well for the production growth prospects of the company. Given strong production growth but also an exceptionally high comparison base this year, we have assumed a -5.0% average annual decrease in earnings-per-share over the next five years.

## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
<b>Avg. P/E</b>	---	34.6	15.8	11.3	---	6.9	6.8	10.5	14.5	11.9	<b>12.0</b>	<b>12.0</b>
<b>Avg. Yld.</b>	2.5%	2.7%	3.1%	4.2%	6.3%	4.7%	4.3%	4.6%	4.4%	5.5%	<b>3.8%</b>	<b>5.3%</b>

<sup>1</sup> In CAD

<sup>2</sup> In millions.

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.



# Canadian Natural Resources (CNQ)

Updated May 18<sup>th</sup>, 2026 by Aristofanis Papadatos

Canadian Natural Resources has traded at an average price-to-earnings ratio of 12.0 over the last decade if we exclude the years 2016 and 2017, in which the stock's valuation was not meaningful due to depressed earnings. The stock is now trading exactly at this valuation level. As a result, we do not expect valuation to play a major role in the 5-year return of the stock.

Income investors should note that while the Canadian government applies a 15% withholding tax on dividends paid to U.S. residents (including those paid by Canadian Natural Resources), this withholding tax is waived if shares are held within a retirement account like a 401(k).

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

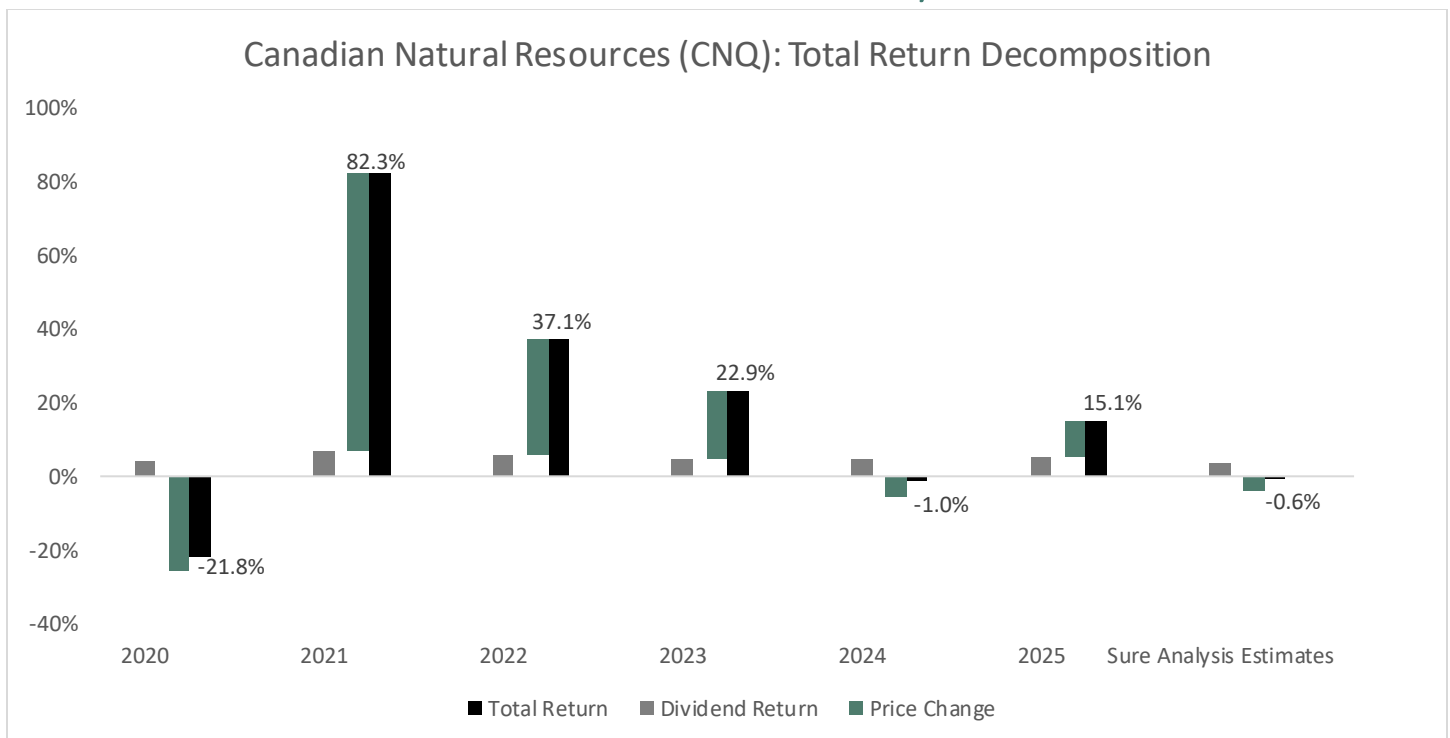
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Std. Dev.	31.6%	23.9%	48.7%	47.2%	---	32.3%	29.0%	48.1%	64.0%	65.0%	<b>45.5%</b>	<b>63.3%</b>

The competitive advantage of Canadian Natural Resources is the high quality of its assets, which have a long life, low decline rates and low production costs. However, due to the almost pure upstream nature of its business, the company is greatly affected by the prices of oil and natural gas. This is evident from its depressed earnings during the period of low commodity prices in 2015 – 2017 and the temporary -80% slump of the stock in 2020 due to the suppressed commodity prices caused by the pandemic.

## Final Thoughts & Recommendation

Canadian Natural Resources has been thriving in the last four years thanks to the sanctions of western countries on Russia and the deep production cuts of OPEC until last year. It also benefits from the ongoing crisis in Iran, which has fueled a rally of oil prices. However, this tailwind is likely to prove short-lived. The stock could offer a 5-year average annual return of -0.6%, as a 3.8% dividend may be offset by a -5.0% annual decrease of earnings-per-share. The stock maintains its hold rating. Moreover, investors should note its high sensitivity to commodity prices and its huge risk in the event of an unforeseen downturn.

## 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.



# Canadian Natural Resources (CNQ)

Updated May 18<sup>th</sup>, 2026 by Aristofanis Papadatos

## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	9,063	14,167	17,194	18,380	13,055	26,205	38,070	30,242	30,281	27,741
<b>Gross Profit</b>	(330)	2,278	4,023	4,784	51	8,436	12,498	8,719	7,950	6,456
<b>Gross Margin</b>	-3.6%	16.1%	23.4%	26.0%	0.4%	32.2%	32.8%	28.8%	26.3%	23.3%
<b>SG&amp;A Exp.</b>	529	350	138	427	231	702	937	698	570	440
<b>Operating Profit</b>	(966)	1,802	3,741	4,213	-332	7,587	11,345	7,750	7,096	5,887
<b>Op. Margin</b>	-10.7%	12.7%	21.8%	22.9%	-2.5%	29.0%	29.8%	25.6%	23.4%	21.2%
<b>Net Profit</b>	(154)	1,850	1,999	4,081	-325	6,113	8,406	6,097	4,454	7,744
<b>Net Margin</b>	-1.7%	13.1%	11.6%	22.2%	-2.5%	23.3%	22.1%	20.2%	14.7%	27.9%
<b>Free Cash Flow</b>	(261)	1,978	4,383	3,934	1,608	7,964	10,957	5,513	5,905	5,951
<b>Income Tax</b>	(649)	367	718	(347)	-327	1,792	2,127	1,431	1,425	1,733

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	43,499	58,741	52,539	59,805	59,033	60,128	56,102	57,255	59,476	70,336
<b>Cash &amp; Equivalents</b>	13	109	74	106	144	584	678	661	91	491
<b>Acc. Receivable</b>	1,064	1,906	843	1,887	1,717	2,440	2,619	2,404	2,875	2,917
<b>Inventories</b>	511	711	701	882	831	1,214	1,337	1,533	1,946	1,912
<b>Total Liabilities</b>	24,017	33,570	29,063	33,018	33,640	31,152	27,975	27,230	31,975	37,970
<b>Accounts Payable</b>	441	616	572	625	523	630	988	1,069	752	806
<b>Long-Term Debt</b>	12,464	17,859	15,141	16,063	16,824	11,525	8,433	8,140	13,113	14,388
<b>Total Equity</b>	19,482	25,171	23,475	26,787	25,393	28,976	28,128	30,026	27,500	32,366
<b>LTD/E Ratio</b>	0.64	0.71	0.65	0.60	0.66	0.40	0.30	0.27	0.48	0.44

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	-0.4%	3.6%	3.6%	7.3%	-0.5%	10.3%	14.5%	10.8%	7.6%	11.7%
<b>Return on Equity</b>	-0.8%	8.3%	8.2%	16.2%	-1.2%	22.5%	29.4%	21.0%	15.5%	25.9%
<b>ROIC</b>	-0.5%	4.9%	4.9%	10.0%	-0.8%	14.8%	21.8%	16.3%	11.3%	17.5%
<b>Shares Out.</b>	1,101	1,223	1,191	1,184	1,183	1,185	1,149	1,102	2,140	2,098
<b>Revenue/Share</b>	8.24	11.98	14.05	15.41	11.05	22.08	33.13	27.44	14.15	13.22
<b>FCF/Share</b>	(0.24)	1.67	3.58	3.30	1.36	6.71	9.53	5.00	2.76	2.84

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

### Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.