# Whitecap Resources Inc. (WCPRF)

*Updated October 30th, 2026, by Nikolaos Sismanis*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $14.02 | **5 Year Annual Expected Total Return:** | -6.0% | **Market Cap:** | $17.1 B |
| **Fair Value Price:** | $8.80 | **5 Year Growth Estimate:** | -3.0% | **Ex-Dividend Date:** | 10/30/2026 |
| **% Fair Value:** | 159% | **5 Year Valuation Multiple Estimate:** | -8.9% | **Dividend Payment Date:** | 11/16/2026 |
| **Dividend Yield:** | 3.8% | **5 Year Price Target** | $7.56 | **Years Of Dividend Growth:** | 1 |
| **Dividend Risk Score:** | F | **Sector:** | Energy | **Rating:** | Hold |

## Overview & Current Events

Whitecap Resources is a Canadian energy company engaged in the acquisition, development, and production of oil and natural gas across Western Canada. Whitecap operates through an Unconventional division focused on the Montney and Duvernay and a Conventional division in Alberta and Saskatchewan. Its asset base is characterized by high-netback, low-decline production and significant infrastructure ownership. The company's portfolio has both light and medium crude oil assets, supported by owned and operated infrastructure such as gas plants and processing facilities. It markets its production domestically and into the U.S., with exposure to benchmark pricing through various sales channels. It pays dividends on a monthly basis. It reports its financials in CAD. All figures in this report have been converted to USD unless otherwise noted. The stock trades at a market cap of $17.1 billion.

On October 28th, 2026, Whitecap Resources reported Q3 results for the period ended September 30th. Petroleum and natural gas revenues rose 45% to $1.72 billion from $1.19 billion. Production increased 4% to 390,720 boe per day. Operating costs fell to $7.31 per boe, helped by one-time favorable adjustments. Funds flow was $839 million, while capital spending of $381 million left $457 million of free funds flow. Net income increased 60% to $233 million, or $0.19 per diluted share, despite noncash commodity-contract losses. We expect EPS of $1.10 for 2026.

Whitecap raised its 2026 production outlook to 392,000 boe per day and its capital budget to about $1.57 billion. Its 2027 plan targets 400,000–410,000 boe per day with capital spending of $1.72–$1.86 billion. The board also raised the monthly dividend by 1.5% to C$0.0617 (about $0.044) per share, effective with the November dividend payable in December. Net debt declined to $1.50 billion, or 0.4 times annualized funds flow.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $0.37 | ($0.27) | $0.11 | ($0.29) | ($3.55) | $2.33 | $1.99 | $1.10 | $0.95 | $0.72 | ***$1.10*** | ***$0.94*** |
| **DPS** | $0.26 | $0.22 | $0.23 | $0.26 | $0.17 | $0.16 | $0.29 | $0.46 | $0.51 | $0.53 | ***$0.53*** | ***$0.56*** |
| **Shares[1]** | 341.9 | 371.8 | 420.6 | 412.0 | 408.4 | 603.1 | 621.1 | 608.6 | 598.1 | 997.3 | ***1222.5*** | ***1200.0*** |

Whitecap's earnings over the past decade have been heavily influenced by the oil price cycle and acquisition activity. From 2016 to 2020, the company experienced persistent earnings volatility, with several years of negative EPS. This period included the 2015–2016 price crash, which led to impairments and weak cash flow, followed by a short recovery that didn't hold. The 2020 pandemic brought a severe downturn, with record-low oil prices and large write-downs, resulting in the lowest EPS of the period. A sharp turnaround came in 2021 and 2022, as global oil markets tightened. Whitecap benefited from higher commodity prices and transformative acquisitions including NAL, TORC, and XTO Canada, which significantly boosted production and scale. These years marked the company's strongest earnings.

EPS fell from peak levels in 2023–2024 as oil prices softened, differentials widened, and inflation increased costs. Still, Whitecap remained profitable thanks to higher production and stronger operating leverage. The trend endured in 2025, when the Veren acquisition nearly doubled production and expanded tax pools, offsetting a 15% YoY drop in WTI prices.

[1] Share count is in millions.

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Moving forward, we forecast an annual decline of 3% in EPS from its 2026 levels, due to the possibility of weak oil prices, potential FX headwinds, and a relatively shaky macro environment. We have also assumed a 1% growth rate per year on the dividend, as we don't believe management will be aggressive with dividend hikes considering the current outlook.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 22.6 | --- | 59.5 | --- | --- | 1.7 | 3.4 | 6.9 | 7.8 | 9.9 | ***12.7*** | ***8.0*** |
| **Avg. Yld.** | 3.1% | 3.0% | 3.5% | 6.5% | 6.8% | 3.9% | 4.3% | 6.1% | 6.9% | 7.4% | ***3.8%*** | ***7.4%*** |

Investors have historically valued Whitecap at low P/E ratios largely because of the highly cyclical and volatile nature of its earnings. As a commodity producer, Whitecap's profitability is tightly linked to swings in oil and gas prices, which are influenced by global supply-demand dynamics, geopolitical events, and macroeconomic conditions. All of these factors are outside the company's control. Today, shares trade at 12.7 times our projected EPS for the year. We believe this is a rather rich multiple for the stock. We believe a P/E of 8x better reflects the significant risks of its dividend sustainability.

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

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 70% | --- | 209% | --- | --- | 7% | 15% | 42% | 54% | 74% | ***48%*** | ***59%*** |

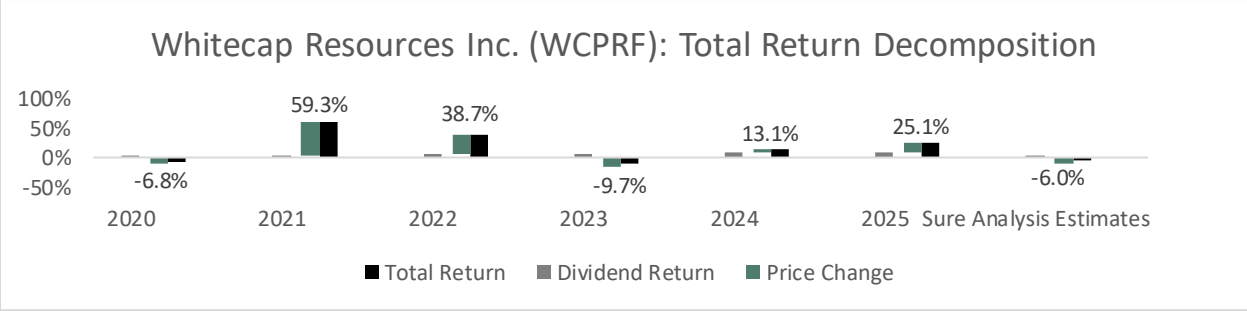
Whitecap operates a high-quality portfolio of low-decline, conventional oil and gas assets across Western Canada, with a strong safety and environmental track record. Its ownership of key infrastructure like gas plants and processing facilities provides cost advantages, operational control, and reliability. The company has also reduced its net debt and improved liquidity, enhancing its ability to weather commodity downturns.

That said, as a pure upstream producer, Whitecap is highly exposed to oil and gas price swings. Earnings can swing wildly with market conditions, limiting recession resilience. The lack of downstream or midstream diversification amplifies this risk. Additionally, regulatory pressures, including emissions targets and carbon pricing, could impact long-term costs and project economics. Despite its scale and efficiency, the business model is fundamentally tied to volatile global energy markets, which is why we remain wary regarding the safety of the dividend despite the modest payout ratio today.

## Final Thoughts & Recommendation

Whitecap offers investors leveraged exposure to oil prices through a high-quality, infrastructure-backed asset base with strong free cash flow potential. Its disciplined capital returns, operational control, and scale make it a compelling choice for those comfortable with commodity risk. However, at its current valuation, we question whether the company will be able to achieve noteworthy returns moving forward, as the starting yield could be more than offset by declining earnings and a valuation headwind. Regardless, we note that this is a highly speculative stock, as returns will be highly correlated to oil prices that are impossible to predict over many years. We expect annualized returns of -6.0% through 2031. The stock earns a hold rating only because the company has resumed dividend growth.

## Total Return Breakdown by Year




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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 480 | 780 | 1,177 | 1,096 | 696 | 2,149 | 3,674 | 2,850 | 2,873 | 3,700 |
| Gross Profit | 395 | 371 | 586 | 538 | 338 | 1,382 | 2,392 | 1,751 | 1,724 | 1,155 |
| Gross Margin | 82.4% | 47.5% | 49.8% | 49.1% | 48.6% | 64.3% | 65.1% | 61.4% | 60.0% | 31.2% |
| SG&A Exp. | 29 | 34 | 33 | 54 | 47 | 172 | 305 | 275 | 264 | 265 |
| D&A Exp. | - | - | - | - | - | - | 7 | 7 | 9 | 1,259 |
| Operating Profit | 220 | 118 | 243 | 189 | 14 | 671 | 1,377 | 759 | 684 | 852 |
| Operating Margin | 45.8% | 15.1% | 20.6% | 17.3% | 2.0% | 31.2% | 37.5% | 26.6% | 23.8% | 23.0% |
| Net Profit | 129 | (96) | 50 | (117) | (1,377) | 1,417 | 1,288 | 658 | 593 | 705 |
| Net Margin | 26.9% | -12.3% | 4.3% | -10.7% | -198% | 66.0% | 35.1% | 23.1% | 20.6% | 19.1% |
| Free Cash Flow | (319) | (631) | 195 | 179 | 186 | 450 | 1,144 | 457 | 508 | 436 |
| Income Tax | 52 | (28) | 22 | (36) | (428) | 475 | 422 | 209 | 192 | 244 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 3,809 | 4,741 | 4,375 | 4,102 | 2,652 | 5,395 | 7,022 | 7,238 | 6,933 | 14,080 |
| Cash & Equivalents | | - | - | - | - | - | - | - | 252 | 43 |
| Accounts Receivable | 76 | 111 | 89 | 132 | 91 | 239 | 354 | 302 | 294 | 616 |
| Goodwill & Int. Ass. | 91 | 98 | 90 | 94 | - | - | - | - | - | - |
| Total Liabilities | 1,485 | 2,090 | 2,004 | 1,860 | 1,870 | 2,462 | 3,301 | 3,110 | 2,928 | 6,050 |
| Accounts Payable | 110 | 121 | 119 | 141 | 96 | 314 | 405 | 384 | 534 | 970 |
| Long-Term Debt | 574 | 1,021 | 922 | 900 | 864 | 828 | 1,359 | 1,022 | 713 | 2,748 |
| Shareholder's Equity | 2,323 | 2,651 | 2,371 | 2,242 | 782 | 2,933 | 3,721 | 4,129 | 4,005 | 8,026 |
| LTD/E Ratio | 0.25 | 0.39 | 0.39 | 0.40 | 1.10 | 0.28 | 0.37 | 0.25 | 0.18 | 0.34 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 3.8% | -2.2% | 1.1% | -2.8% | -40.8% | 35.2% | 20.8% | 9.2% | 8.4% | 6.7% |
| Return on Equity | 6.2% | -3.8% | 2.0% | -5.1% | -91.1% | 76.3% | 38.7% | 16.8% | 14.6% | 11.7% |
| ROIC | 4.8% | -2.9% | 1.4% | -3.7% | -57.5% | 52.4% | 29.1% | 12.9% | 12.0% | 9.1% |
| Shares Out. | 341.9 | 371.8 | 420.6 | 412.0 | 408.4 | 603.1 | 621.1 | 608.6 | 598.1 | 997 |
| Revenue/Share | 1.40 | 2.10 | 2.80 | 2.66 | 1.70 | 3.56 | 5.92 | 4.68 | 4.80 | 3.71 |
| FCF/Share | (0.93) | (1.70) | 0.46 | 0.43 | 0.45 | 0.75 | 1.84 | 0.75 | 0.85 | 0.44 |

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


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