

Wheaton Precious Metals

Q424/FY24 results

FY24 results

Wheaton's adjusted EPS for Q424 exceeded our prior expectations by 1.9%, largely due to better average realised prices for its precious metals. As a consequence, it recorded record revenue, record adjusted EPS and record cash flow for both Q4 and FY24 and raised its quarterly dividend by 6.5%, or 1c/share. It ended the year with US\$134.4m more net cash on its balance after its contingent payment to Salobo was delayed into FY25. We have upgraded our forecasts for FY25 very slightly. However, after a quarter in which production outstripped sales by a material amount in Q4 (against the historical trend), there is also the potential for an accelerated 'flush through' effect of production into sales earlier than normal in the current year.

Year end	Revenue (\$m)	PBT (\$m)	EPS (\$)	DPS (\$)	P/E (x)	Yield (%)
12/23	1,016.0	533.4	1.18	0.60	62.4	0.8
12/24	1,284.6	752.5	1.41	0.62	52.0	0.8
12/25e	1,671.5	1,057.4	1.97	0.74	37.3	1.0
12/26e	1,583.8	802.5	1.52	0.75	48.3	1.0

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items. Minor discrepancies with Exhibit 16 may exist owing to short-term fluctuations in forex rates.

FY25 marks the start of a multi-year growth profile

Wheaton Precious Metals (WPM) has shown itself to be one of the major beneficiaries of the funding stasis for mining projects in western financial markets by entering into a recent precious metals purchase agreement (PMPA) with Montage Gold for its Koné mine in Côte d'Ivoire. In conjunction with other similar projects, we are forecasting that WPM's attributable production will grow to upwards of 900k gold equivalent ounces (GEOs) in FY30 (cf 635k GEOs in FY24).

Valuation: Still trending up

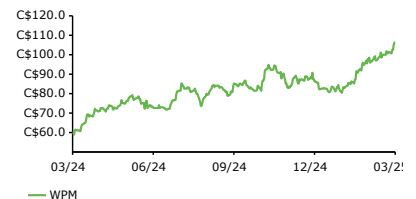
Using a capital asset pricing model-type method, whereby we discount cash flows at a nominal 9% per year, our terminal valuation of WPM amounts to US\$69.46 (or C\$100.29) in FY30, assuming zero subsequent long-term growth in real cash flows (which we think unlikely). If we instead assume 7.7% pa long-term growth in cash flows (ie the average compound annual growth rate in the price of gold from 1967 to 2024), our current valuation of WPM in FY25 more than doubles to US\$172.42/share, or C\$248.95/share. As such, at an implied growth rate of 5.7% per year, WPM's share price currently appears to be discounting future compound annual average increases in cash flows per share from FY30 only slightly in excess of the long-term average rate of US dollar inflation of 4.0% from 1967 until 2024. However, an alternative interpretation is that the market is assuming currently prevailing precious metals prices up to and including FY30 and compound annual average increases in WPM's cash flow per share of just 4.7% pa thereafter. Otherwise, assuming no purchases of additional streams, we calculate a value per share for WPM of US\$57.93 (or C\$83.64, or £44.78) in FY27, based on a historical multiple of 31.2x contemporary earnings (albeit at a gold price of only US\$2,239/oz). At current prices, this valuation rises by 53.2%, to US\$88.94/share (or C\$128.42/share, or £68.74). In the meantime, Wheaton's average P/E multiple of 38.0x in FY18–24 implies a current year share price of US\$74.92/share, or C\$108.18/share (£57.91/share), in FY25.

Metals and mining

17 March 2025

Price	C
	\$105.02
Market cap	C
	\$46,457m
	C\$1.4439/US\$, US\$1.2938/£
Net cash at end Q424 (excluding US\$5.2m in lease liabilities)	\$818.2m
Shares in issue	453.7m
Code	WPM
Primary exchange	TSX
Secondary exchange	LSE

Share price performance



%	1m	3m	12m
Abs	5.0	17.2	71.9
52-week high/low		C\$103.6	C\$58.1

Business description

Wheaton Precious Metals is the world's pre-eminent predominantly precious metals streaming company, with over 40 high-quality precious metals streams and early deposit agreements over mines in Mexico, Canada, Brazil, Chile, the US, Argentina, Peru, Sweden, Greece, Portugal and Colombia etc.

Next events

First dividend distribution	11 April 2025
Q125 results	8 May 2025
Q225 results	7 August 2025
Q325 results	6 November 2025

Analyst

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[Edison profile page](#)

Wheaton Precious Metals is a research client of Edison Investment Research Limited

Q424 financial results

WPM's Q424/FY24 financial results followed its production and sales results announced on 18 February, which showed that the company had exceeded the top end of production guidance for the year by c 2.4%, or 15,007 GEOs. As such, there were no surprises in the volume of its precious metals sales, either for the fourth quarter or for the year.

Production was slightly greater than we had expected for Q4, albeit this largely reflected small prior period adjustments at a number of smaller mines and, effectively, just a redistribution of production throughout the four quarters of the year. As had been appreciated at the time of its 18 February announcement, production outstripped sales for both the quarter and the full year, leading us to believe that Wheaton might have received lower realised prices for its output within the context of a generally rising price trend. In the event, this fear proved to be unfounded, with realised prices very close to actual average prices during the three-month period in question. As a result, there was a positive variance of 2.3% (or US\$8.7m) in sales relative to our prior expectations, although this was largely offset by a negative variance in G&A costs (NB it is worth noting that these costs were in the form of 'other' items, such as donations, depreciation and professional fees and stock-based compensation, but not salaries). There was also a small positive variance in the depletion charge (ie it was lower than we had expected).

These three factors were predominantly responsible for a US\$3.7m or 1.9% positive variance in adjusted EPS relative to our prior expectations. As a result, revenue, adjusted EPS and operating cash flow all achieved record levels for both Q4 and FY24. Exhibit 1, below, summarises Wheaton's actual results for Q424 and FY24 within the context of our prior expectations and also the first three quarters of the year.

Exhibit 1: WPM Q1–Q424 underlying financial results* and forecasts, by quarter

US\$000s (unless otherwise stated)	Implied re-stated Q124	Underlying Q224	Q324	Q424e (prior)	Q424	**Change (%)	***Variance (%)	FY24e (current)	FY24e (prior)
Silver production (koz)	5,476	5,062	4,554	5,572	5,740	26.0	3.0	20,825	20,657
Gold production (oz)	93,370	84,993	87,199	114,180	117,526	34.8	2.9	383,088	379,742
Palladium production (oz)	4,463	4,338	4,034	2,797	2,797	(30.7)	0.0	15,632	15,632
Cobalt production (klb)	240	259	397	393	393	(1.0)	0.1	1,289	1,289
Silver sales (koz)	4,067	3,823	3,875	4,307	4,307	11.1	0.0	16,072	16,072
Gold sales (oz)	92,019	77,326	75,694	87,662	87,662	15.8	0.0	332,701	332,701
Palladium sales (oz)	4,774	4,301	3,761	4,434	4,434	17.9	0.0	17,270	17,270
Cobalt sales (klb)	309	88	88	485	485	451.1	0.1	970	970
Average realised Ag price (US\$/oz)	23.77	29.11	29.71	30.81	30.43	2.4	(1.2)	28.49	28.36
Average realised Au price (US\$/oz)	2,072	2,356	2,491	2,616	2,681	7.6	2.5	2,393	2,377
Average realised Pd price (US\$/oz)	980	979	969	1,011	1,008	4.0	(0.3)	984	985
Average realised Co price (US\$/lb)	15.49	16.02	10.65	11.01	13.66	28.3	24.1	14.19	12.86
Average Ag cash cost (US\$/oz)	4.77	4.95	5.03	5.10	5.16	2.5	1.1	4.98	4.96
Average Au cash cost (US\$/oz)	439	441	440	447	440	0.0	(1.6)	440	442
Average Pd cash cost (US\$/oz)	182	175	173	182	184	6.4	1.1	179	178
Average Co cash cost (US\$/lb)****	2.96	3.11	2.15	1.98	2.59	20.5	30.7	2.72	2.41
Sales	296,806	299,064	308,253	371,851	380,515	23.4	2.3	1,284,639	1,275,975
Cost of sales									
Cost of sales, excluding depletion	61,555	54,007	55,310	62,956	64,235	16.1	2.0	235,108	233,830
Depletion	63,676	58,865	55,530	71,515	68,873	24.0	(3.7)	246,944	249,586
Total cost of sales	125,231	112,872	110,840	134,472	133,108	20.1	(1.0)	482,052	483,416
Earnings from operations	171,575	186,192	197,413	237,379	247,407	25.3	4.2	802,587	792,559
Expenses and other income									
– General and administrative*****	13,315	17,185	21,468	13,526	20,926	(2.5)	54.7	72,894	65,494
– Foreign exchange (gain)/loss				0	0	N/A		0	0
– Interest paid	1,442	1,299	1,404	1,378	1,404	0.0	1.9	5,549	5,523
– Other (income)/expense	(6,840)	(4,752)	(6,907)	(8,716)	(9,874)	43.0	13.3	(28,373)	(27,215)
Total expenses and other income	7,917	13,732	15,965	6,188	12,456	(22.0)	101.3	50,070	43,802
Earnings before income taxes	163,658	172,460	181,448	231,192	234,951	29.5	1.6	752,517	748,757
Income tax expense/(recovery)	24,824	22,895	28,645	35,951	35,983	25.6	0.1	112,347	112,315
Marginal tax rate (%)	15.2	13.3	15.8	15.6	15.3	(3.1)	(1.5)	14.9	15.0
Net earnings	138,834	149,565	152,803	195,241	198,969	30.2	1.9	640,170	636,443
Average no. shares in issue (000s)	453,094	453,430	453,641	453,641	453,641	0.0	0.0	453,452	453,452
Basic EPS (US\$)	0.306	0.330	0.337	0.430	0.439	30.1	1.9	1.412	1.404
Diluted EPS (US\$)	0.306	0.329	0.336	0.430	0.438	30.3	1.9	1.410	1.402
DPS (US\$)	0.155	0.155	0.155	0.155	0.155	0.0	0.0	0.620	0.620

Source: Wheaton Precious Metals, Edison Investment Research.

Note: *Excluding impairment, impairment reversals and exceptional items (unless otherwise indicated). **Change is Q424 cf Q324. ***Variance is Q424 cf Q424e. ****Cobalt inventory is held on WPM's balance sheet at the lower of cost and net realisable value; cash costs per pound of cobalt sold are, therefore, affected by changes in the valuation of inventory quarterly. *****Forecasts include stock-based compensation costs. Totals may not add up owing to rounding.

Note that, for the purposes of the above analysis, we have shown Q224 on an underlying basis, with the global minimum

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tax (GMT) attributable in Q124 but reported in Q224 adjusted back out into Q124 (which is also the basis of our implied re-stated Q124 numbers).

Headline numbers were negatively affected by a US\$108.9m impairment at Voisey’s Bay (see Exhibit 18). However, this appears rather technical, given the sharp recovery in cobalt prices in the past few days.

Exhibit 2 compares Wheaton’s actual Q424 and FY24 adjusted EPS results with our (and the market’s) prior expectations, demonstrating its outperformance.

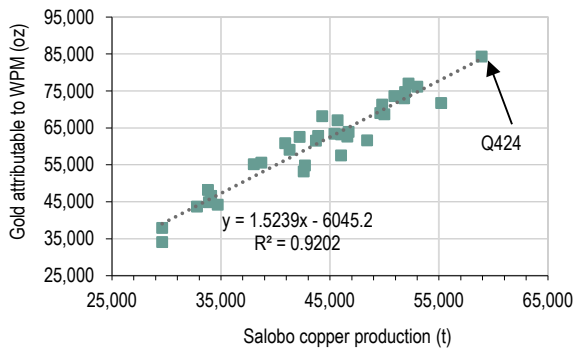
Exhibit 2: WPM Q424 adjusted EPS cf expectations (US\$/share)

	Q124	Q224	Q324	Q424e	Q424a	Variance (%)	FY24a	FY24e
Edison forecasts	0.306	0.330	0.337	0.430	0.439	1.9	1.412	1.404
Mean consensus	0.306	0.330	0.337	0.434	0.439	1.1	1.412	1.438
High consensus	0.306	0.330	0.337	0.520	0.439	(15.7)	1.412	1.550
Low consensus	0.306	0.330	0.337	0.410	0.439	7.0	1.412	1.310

Source: LSEG Data & Analytics, Edison Investment Research. Note: Forecasts as at 10 March 2025.

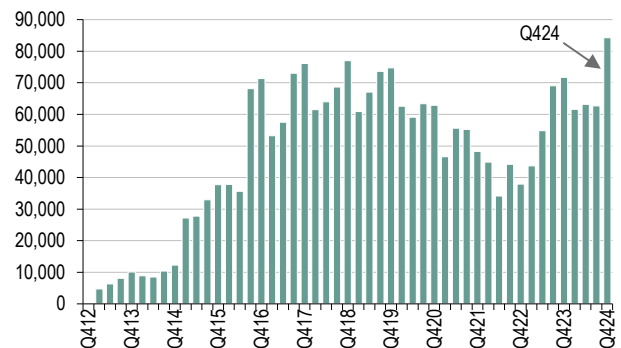
Outperformance in the fourth quarter was driven by production and sales that were ahead of our prior expectations at Constancia, Stillwater, Penasquito and Los Filos, while Salobo achieved record quarterly, albeit we expected this, given the level of copper production of 58,900t reported by Vale for Q4 on 28 January (see Exhibits 3 and 4).

Exhibit 3: Salobo copper production versus gold production attributable to WPM, Q316–Q424



Source: Wheaton Precious Metals, Vale, Edison Investment Research

Exhibit 4: Gold production attributable to WPM from Salobo, Q412–Q424

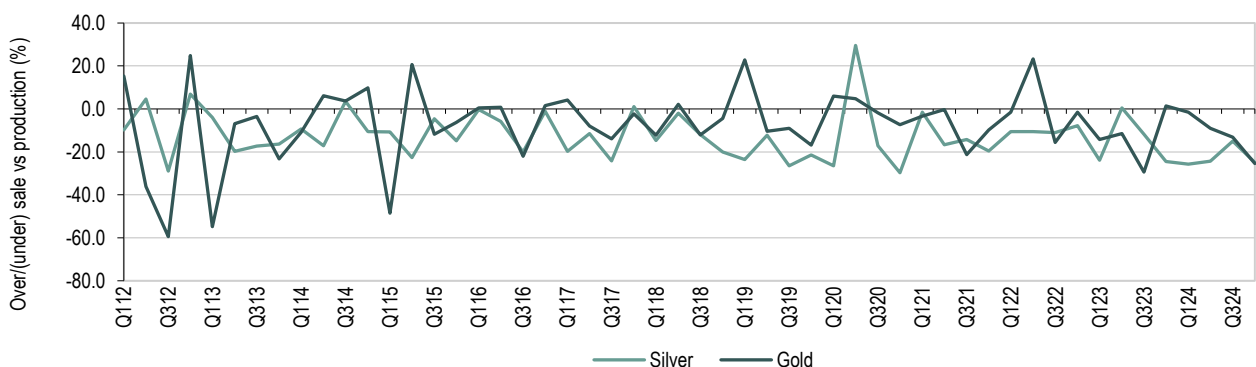


Source: Wheaton Precious Metals, Edison Investment Research

Ounces produced but not yet delivered

Overall, gold production outstripped sales by 29,864oz or 34.1% in Q4, which was close to the top end of the range since Q112. Silver production similarly outstripped sales by 33.3% (or 1,433koz), which was also close to the top end of the historical range.

Exhibit 5: WPM over/(under) sale of silver and gold as a percentage of production, Q112–Q424

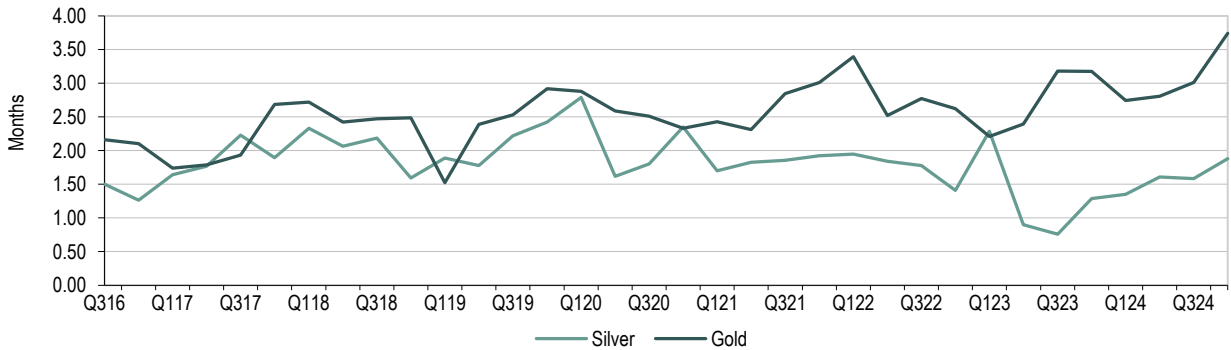


Source: Edison Investment Research, Wheaton Precious Metals. Note: As reported.

As a result, gold ounces produced but not yet delivered (PBNB) increased by 26.3% (or 24,868oz) to 119,446oz – or

3.74 months of full-year production – relative to a slightly restated Q3 number. Silver ounces PBNB increased by 19.3% (or 527koz) to 3,260koz – or 1.88 months of full-year production – also relative to a slightly restated Q3 number. These compare with WPM’s target levels of two to three months of PBNB production for gold and palladium and two months for silver. While slightly high within this range, this position sets up the possibility that sales, particularly of gold, could be ‘flushed through’ at some earlier point in FY25 than the last quarter (which is the traditional time period in which this effect occurs).

Exhibit 6: WPM ounces produced but not yet delivered, Q316–Q424 (months of production)



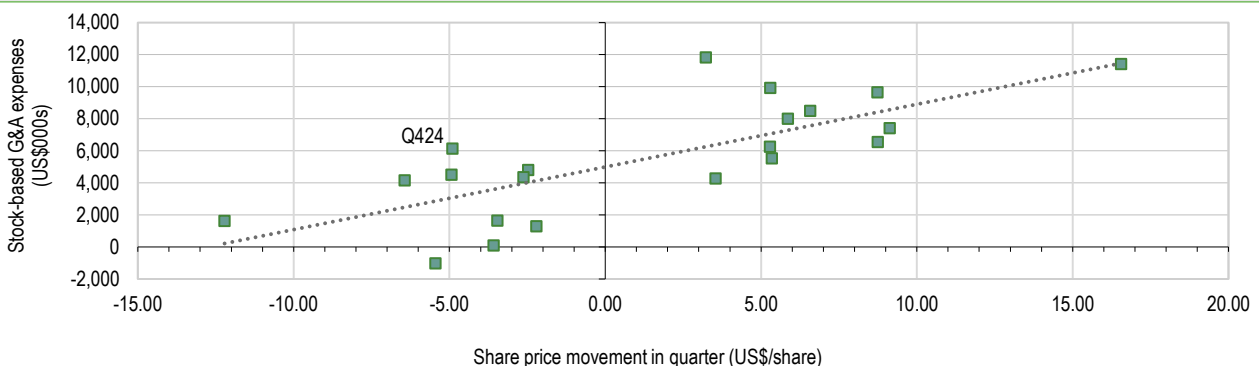
Source: Edison Investment Research, Wheaton Precious Metals. Note: As reported.

General and administrative expenses

At the time of its Q423 results, WPM provided guidance for non-stock G&A expenses of US\$41–45m, or US\$10.25–11.25m per quarter, for FY24, which represented a decline relative to US\$47–50m in FY23 and US\$47–49m in FY22 and was on a par with guidance of US\$42–44m for FY21 and US\$40–43m for FY20.

Stock-based G&A expenses are harder to estimate. However, they broadly correlate with movements in WPM’s share price (in US dollars) between quarters. Stock-based G&A expenses were higher than we had expected in Q424, given the movement in Wheaton’s share price (as shown in Exhibit 7, below). However, this is in line with the historical precedent, whereby the charge in the final quarter of the year tends to be higher than in the preceding three quarters.

Exhibit 7: Graph of historical share price change (US\$/share) versus stock-based G&A expenses (US\$000s), quarterly, Q419–Q424



Source: Edison Investment Research (underlying data: Bloomberg and Wheaton Precious Metals)

As noted previously however, while aggregate costs were above the level of our expectations, they were in the form of ‘other’ items, such as donations, depreciation and professional fees etc and stock-based compensation, but not salaries, which were only 0.9% higher quarter-on-quarter, or 3.8% annualised (ie not much above the US’s CPI inflation rate of 2.9% in 2024).

Exhibit 8: WPM G&A expenses, Q422–Q424, actual versus expected (US\$000s)

Item	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424e	Q424a	FY24a	FY24e
G&A salaries excluding PSU and equity settled stock-based compensation	4,187	5,021	4,749	4,591	4,051	5,365	5,083	5,002		5,049	20,499	
Other (including depreciation, donations and professional fees)	7,112	6,456	7,407	5,751	7,401	6,669	5,861	6,838		9,759	29,127	
Non-stock-based G&A	11,299	11,477	12,156	10,342	11,452	12,034	10,944	11,840	10,750	14,808	49,626	45,568
Guidance	11,750–12,250 11,750–12,500 11,750–12,500 11,750–12,500 11,750–12,500 10,250–11,250 10,250–11,250 10,250–11,250 10,250–11,250 10,250–11,250 41,000–45,000 41,000–45,000											
PSU accrual	7,035	5,855	2,625	2,604	5,222	(317)	4,586	7,903		4,393	16,565	
Equity settled stock-based compensation	1,439	1,542	1,859	1,732	1,305	1,598	1,655	1,725		1,725	6,703	
Stock-based G&A	8,474	7,397	4,484	4,336	6,527	1,281	6,241	9,628	2,776	6,118	23,268	19,926
Total general & administrative	19,773	18,874	16,640	14,678	17,979	13,315	17,185	21,468	13,526	20,926	72,894	65,494
Non-stock as pct of total G&A (%)	57.1	60.8	73.1	70.5	63.7	90.4	63.7	55.2	79.5	70.8	68.1	69.6

Source: Wheaton Precious Metals, Edison Investment Research. Note: PSU, performance share units. Totals may not add up owing to rounding.

FY24 and future forecasts compared to guidance

WPM provided detailed production guidance for FY25 and beyond at the time of its FY24 production and sales announcement on 18 February. This is summarised below relative to Edison's forecasts for the equivalent periods.

Exhibit 9: WPM precious metals production – Edison forecasts compared to guidance

	FY25e	FY29e (target)	FY30–34 (average)
Prior Edison forecast			
Silver production (Moz)			
Gold production (koz)			
Cobalt production (klb)			
Palladium production (koz)			
Gold equivalent (koz)		831	884
Current Edison forecast			
Silver production (Moz)	21		
Gold production (koz)	376		
Cobalt production (klb)	2,814		
Palladium production (koz)	9		
Gold equivalent (koz)	631	831	884
WPM guidance			
Silver production (Moz)	20.5–22.5		
Gold production (koz)	350–390		
Cobalt & palladium production (koz AuE)	12.5–13.5		
Gold equivalent (koz)	600–670	870	>950

Source: Wheaton Precious Metals, Edison Investment Research

Wheaton forecasts production to increase by c 37% over the next five years to 870,000 GEOs, owing to growth at multiple assets including Antamina, Aljustrel and Marmato, as well as development assets currently in construction, including Blackwater, Mineral Park, Goose, Platreef, Fenix, Kurmuk and Koné, and pre-development assets including El Domo and Copper World. From 2030 to 2034, Wheaton forecasts average attributable production of over 950,000 GEOs annually, incorporating additional incremental production from pre-development assets including Santo Domingo, Cangrejos, Kudze Kayah, Marathon and Kutcho in addition to the Mt Todd, Black Pine and DeLamar royalties. Not included in Wheaton's long-term forecast, and instead classified as 'optionality', is potential future production from nine other assets including Pascua-Lama and Navidad, in addition to expansions at Salobo beyond the Salobo III mine expansion project and future stream purchases.

Edison's forecasts currently appear slightly more conservative. However, at the moment, they only reflect output from Platreef based on its March 2022 integrated development plan. On 18 February however, the operator, Ivanhoe Mines, announced the results of two completed independent studies covering the three-phase development of the Platreef mine including an updated feasibility study on the Phase 2 expansion to 4.1Mtpa processing capacity and a preliminary economic assessment covering a new Phase 3 expansion to 10.7Mtpa of processing capacity. To date, these have not been incorporated into our longer-term models owing to an absence of precise information. When they are included however, we expect them to add in the order of 70koz platinum group metals and gold to Wheaton's medium-term production profile. Nevertheless, readers will note that, in the meantime, our longer-term production forecasts are within 6% of WPM's guidance, which is well within the average quarterly under-sales rate of 11.4% (±7.4%) since Q121.

WPM's guidance for FY25 and beyond is based on standardised pricing assumptions of US\$2,600/oz gold, US\$30.00/oz silver, US\$950/oz palladium, US\$950/oz platinum and US\$13.50/lb cobalt. Of note is the updated implied gold/

silver ratio of 86.7x. This compares with the previous ratio of 87.0x (ie little changed) and also the current ratio of 88.3x. However, they all compare with the longer-term average of 60.1x since gold was demonetised in August 1971.

At the updated standardised prices indicated, our production forecast of 631.2koz gold equivalent (AuE) for FY25 is self-evidently within Wheaton's guidance range of 600–670k GEOs. However, our sales forecast is slightly more conservative, at 580.4k GEOs (cf 532,468k GEOs in FY24).

FY25 forecasts

For FY25, we have updated (and very slightly upgraded) our EPS forecasts since the time of our last note to reflect changes in precious metals prices and a very small change to silver sales for the year.

Exhibit 10: WPM FY25e forecasts, by quarter*

US\$000s (unless otherwise stated)	Q125e (prior)	Q125	Q225e (prior)	Q225	Q325e (prior)	Q325	Q425e (prior)	Q425	FY25e (current)	FY25e (prior)
Silver production (koz)	4,878	4,878	4,950	4,950	5,361	5,361	5,361	5,361	20,549	20,549
Gold production (oz)	89,566	89,566	94,640	94,640	95,840	95,840	95,840	95,840	375,885	375,885
Palladium production (oz)	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	9,353	9,353
Cobalt production (klb)	704	704	704	704	704	704	704	704	2,814	2,814
Silver sales (koz)	4,095	4,095	4,167	4,167	4,529	4,529	5,157	5,157	17,947	17,947
Gold sales (oz)	83,208	82,898	88,176	87,861	89,376	89,061	95,677	95,670	355,490	356,437
Palladium sales (oz)	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	8,414	8,414
Cobalt sales (klb)	704	704	704	704	704	704	704	704	2,814	2,814
Avg realised Ag price (US\$/oz)	31.87	31.89	32.87	33.50	32.87	33.50	32.87	33.50	33.13	32.64
Avg realised Au price (US\$/oz)	2,831	2,838	2,900	2,900	2,900	2,900	2,900	2,900	2,885	2,884
Avg realised Pd price (US\$/oz)	969	962	971	968	971	968	971	968	966	970
Avg realised Co price (US\$/lb)	10.10	11.79	9.71	16.28	9.71	16.28	9.71	16.28	15.16	9.80
Avg Ag cash cost (US\$/oz)	5.20	5.21	5.27	5.31	5.20	5.24	5.21	5.25	5.25	5.22
Avg Au cash cost (US\$/oz)	455	455	461	461	464	464	463	463	461	461
Avg Pd cash cost (US\$/oz)	174	173	175	174	175	174	175	174	174	175
Avg Co cash cost (US\$/lb)	1.82	2.12	1.75	2.93	1.75	2.93	1.75	2.93	2.73	1.76
Sales	375,208	376,109	401,541	407,872	416,923	423,481	456,172	464,019	1,671,481	1,649,845
Cost of sales										
Cost of sales, excluding depletion	60,768	60,881	64,164	65,025	66,615	67,488	72,863	73,898	267,291	264,411
Depletion	71,188	72,133	75,033	78,258	77,343	81,502	84,009	88,386	320,279	307,574
Total cost of sales	131,956	133,013	139,198	143,282	143,959	148,990	156,873	162,284	587,570	571,985
Earnings from operations	243,252	243,095	262,343	264,589	272,964	274,491	299,299	301,735	1,083,911	1,077,859
Expenses and other income										
– General and administrative**	21,157	22,185	15,551	15,741	15,551	15,741	15,551	15,741	69,410	67,810
– Foreign exchange (gain)/loss	0	0	0	0	0	0	0	0	0	0
– Net interest paid/(received)	1,381	1,387	1,381	1,387	1,381	1,387	1,381	1,387	5,549	5,523
– Other (income)/expense	(9,344)	(10,293)	(10,837)	(12,110)	(10,661)	(12,382)	(11,530)	(13,623)	(48,408)	(42,372)
Total expenses and other income	13,194	13,279	6,095	5,019	6,270	4,747	5,401	3,505	26,551	30,961
Earnings before income taxes	230,058	229,816	256,248	259,570	266,694	269,744	293,898	298,230	1,057,360	1,046,899
Income tax expense/(recovery)	36,461	36,397	38,820	39,755	40,781	41,676	44,926	46,017	163,845	160,989
Marginal tax rate (%)	15.8	15.8	15.1	15.3	15.3	15.5	15.3	15.4	15.5	15.4
Net earnings	193,597	193,419	217,428	219,816	225,913	228,068	248,972	252,213	893,515	885,910
Average no. shares in issue (000s)	453,641	453,677	453,641	453,677	453,641	453,677	453,641	453,677	453,677	453,641
Basic EPS (US\$)	0.427	0.426	0.479	0.485	0.498	0.503	0.549	0.556	1.969	1.953
Diluted EPS (US\$)	0.426	0.426	0.479	0.484	0.497	0.502	0.548	0.555	1.967	1.950
DPS (US\$)	0.176	0.165	0.175	0.176	0.193	0.197	0.201	0.205	0.742	0.745

Source: Edison Investment Research. Note: *Excluding impairment reversals and exceptional items (except where indicated).

**Forecasts include stock-based compensation costs. Totals may not add up owing to rounding.

This updated adjusted basic EPS forecast of US\$1.969 per share remains towards the top end of quite a wide range of brokers' expectations for FY25:

Exhibit 11: WPM FY25 Edison estimates compared to consensus EPS forecasts (US\$/share), by quarter

	Q125	Q225	Q325	Q425	Sum Q1–Q425e	FY25e
Edison forecasts	0.426	0.485	0.503	0.556	1.969	1.969
Mean consensus	0.444	0.472	0.487	0.485	1.888	1.845
High consensus	0.500	0.510	0.510	0.548	2.068	2.040
Low consensus	0.420	0.440	0.470	0.400	1.730	1.570

Source: LSEG Data & Analytics, Edison Investment Research. Note: Consensus forecasts as at 10 March 2025.

Within this context, it is worth noting that the discrepancy between brokers' expectations for FY25 and 'Sum Q1–Q425e' at the bottom end of the range suggests that there is a different sample of brokers compiling quarterly forecasts from those compiling annual ones.

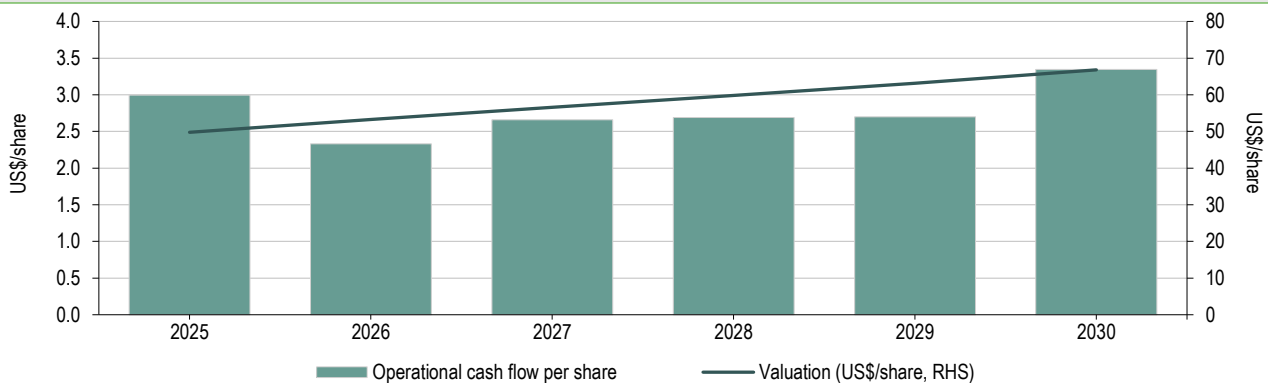
Valuation

Absolute

WPM is a multi-asset company that has shown a willingness and desire to buy streams in the past to maintain production and maximise shareholder returns. As a result, rather than our customary method of discounting maximum potential dividends over the life of operations back to FY25, in the case of WPM, we discount forecast cash flows back over six years (at our long-term gold prices) to the start of FY25 and then apply an ex-growth terminal multiple to forecast cash flows in that year (FY30) based on the appropriate discount rate.

Our estimate of WPM's terminal cash flow in FY30 is little changed at US\$3.35/share (cf US\$3.38/share previously). Assuming 4% growth (the average long-term CPI inflation rate in the US since 1967) in nominal cash flows beyond FY30 (ie 0% growth in real cash flows) and applying a discount rate of 9% (being the expected long-term required nominal equity return), our terminal valuation of the company at end-FY30 is US\$69.46, or C\$100.29, per share.

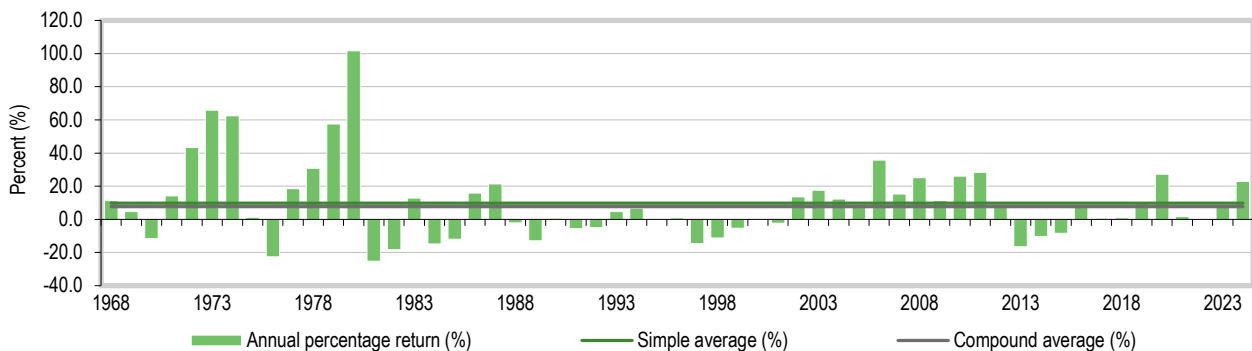
Exhibit 12: WPM operational cash flow and related valuation (US\$/share), FY24–30



Source: Edison Investment Research. Note: Valuation line assumes cash flow per share growth rate of 4% pa post-FY30 in nominal terms, which equals the average US rate of CPI inflation since 1967 (ie 0% pa growth in real terms).

However, this valuation is inherently conservative in that it assumes a (nominal) gold price of US\$2,274/oz in FY30 and zero growth in (real) cash flows thereafter. This is inconsistent with the gold price, which has risen at a compound average annual growth rate of 7.7% per year from 1967 to 2024, a simple average annual growth rate of 9.8% per year (cf a compound average inflation rate over the same period of 4.0%) and a compound average real annual growth rate of 3.6% per year.

Exhibit 13: Gold price annual performance, 1968–2024



Source: Edison Investment Research (underlying data: US Bureau of Labor Statistics, Bloomberg, South African Chamber of Mines)

It is also inconsistent with WPM's longer-term historical performance, wherein operational cash flows have increased at a compound average annual growth rate of 20.4% pa for the 19 years between FY05 and FY24, while its operational cash flows per share have increased at a compound average annual growth rate of 14.3% pa.

If we instead assume that cash flows per share increase at a compound average annual growth rate of 7.7% (ie the average compound average annual growth rate in the gold price from 1967 to 2024, cf 4.0% above), then our terminal

valuation of WPM increases manyfold to US\$275.17/share, or C\$397.32/share, and our current valuation to US\$172.42/share, or C\$248.95/share (excluding net cash – see below).

Stated alternatively, WPM's current share price of C\$105.02 appears to be discounting future compound annual average increases in cash flow per share of just 5.7% pa from FY30, which is only slightly higher than the long-term average rate of US inflation of 4.0% pa from 1967 to 2024 (inclusive).

A summary of these valuations with respect to their cash flow growth rate assumptions is as follows:

Exhibit 14: WPM valuation with respect to long-term cash flow growth rate assumptions, post FY30

Long-term cash flow growth rate assumption (%)	Comment	WPM valuation	
		(US\$/share)	(C\$/share)
4.0	Zero real growth rate (ie rate equals compound average US inflation rate, 1967–2024)	49.76	71.85
5.7	Implied cash flow per share growth rate required to justify current share price	72.73	105.02
7.7	Gold price compound average annual growth rate, 1967–2024	172.42	248.95

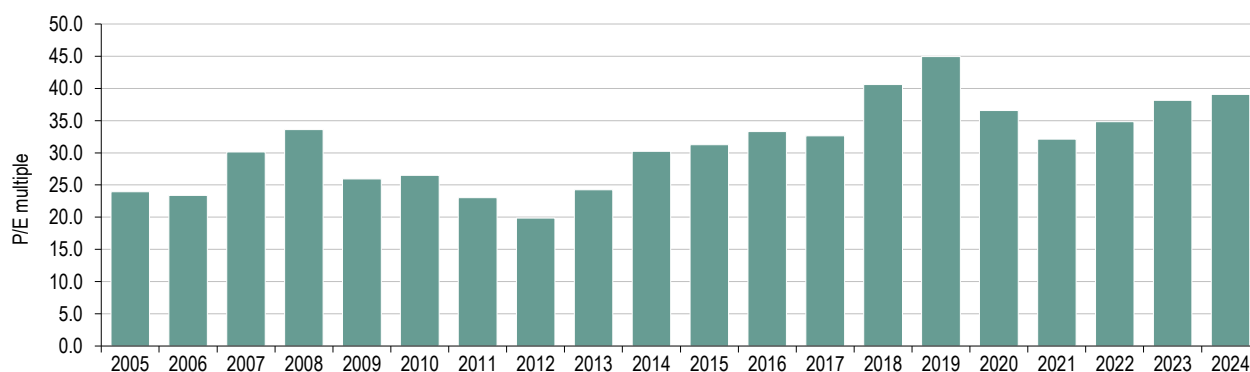
Source: Edison Investment Research (underlying inflation data: US Bureau of Labor Statistics)

An alternative interpretation is that the market is assuming currently prevailing precious metals prices up to and including FY30, in which case WPM's share price of C\$99.12 could be said to be discounting compound annual average increases in cash flows per share thereafter of just 4.6% per annum.

Historical

Excluding FY04 (part-year), WPM's shares have historically traded on an average P/E multiple of 31.2x current year basic underlying EPS, excluding impairments (cf 36.9x Edison and 39.4x LSEG Data & Analytics consensus FY25e currently, see Exhibit 16).

Exhibit 15: WPM's average historical current year P/E multiples, 2005–24



Source: average share price data Bloomberg, Edison Investment Research calculations

Applying this 31.2x multiple to our (ostensibly unchanged) EPS forecast of US\$1.86 in FY27 implies a potential value per share for WPM of US\$57.93 or C\$83.64 in that year. However, it is also notable that Edison's forecast metals prices in that year currently are only US\$2,239/oz Au and US\$25.32/oz Ag. At current prices, our EPS forecast of US\$1.86/share in FY27 rises to US\$2.85/share, in which case our equivalent valuation rises to US\$88.94, or C\$128.42, per share. Moreover, as can be observed from the graph above, during periods of precious metal price appreciation, WPM can command higher current year P/E ratios. In the period 2018–24, for example, its average rating was 38.0x, in which case its corresponding share price in FY25 should be US\$74.92/share, or C\$108.18/share.

Relative

In the meantime, WPM is maintaining its premium rating relative to its peers, albeit it appears good value within the context of future dividend expectations:

Exhibit 16: WPM comparative valuation versus a sample of royalty/streaming companies

	P/E (x)			Yield (%)			P/CF (x)		
	Yr1	Yr2	Yr3	Yr1	Yr2	Yr3	Yr1	Yr2	Yr3
Royalty companies									
Franco-Nevada	37.4	30.7	31.2	1.0	1.0	1.1	26.9	22.9	23.1
Royal Gold	24.3	22.1	22.0	1.2	1.2	1.4	17.4	15.6	15.6
Sandstorm Gold	38.7	28.9	25.9	0.9	0.9	0.9	15.3	13.5	13.5
Osisko	35.4	30.1	30.1	0.8	0.7	0.7	21.6	20.2	23.0
Average	33.9	27.9	27.3	1.0	1.0	1.0	20.3	18.0	18.8
WPM (Edison forecasts)	36.9	47.8	39.2	1.0	1.0	1.1	24.3	31.2	27.4
WPM (consensus)	39.2	39.4	41.6	0.9	1.0	1.1	26.8	28.1	29.0

Source: LSEG Data & Analytics, Edison Investment Research. Note: Peers and WPM (consensus) priced on 10 March 2025.

Readers will note Edison's relatively high year 2 P/E ratio, which arises from our relatively low precious metals forecasts of US\$2,105/oz Au and US\$24.34/oz Ag. As noted previously, if metals prices remain at current levels, our FY26 EPS estimate instead rises to US\$2.62/share, in which case the corresponding P/E ratio would be 27.8x, which is at a marked discount to consensus and in line with its peer group.

Financials: US\$813.0m (US\$1.79/share) in net cash at end-Q4

As at 31 December, WPM had US\$818.2m in cash on its balance sheet and no debt outstanding under its US\$2bn revolving credit facility. Including a modest US\$5.2m in lease liabilities, it therefore had US\$813.0m in net cash after generating a record US\$319.5m in operating cash flow.

Exhibit 17: WPM cash, net cash and operating cash flow, by quarter, Q420–Q424

(US\$m)	Q420	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424
Cash/(debt)	192.7	191.2	235.4	372.5	226.0	376.2	448.6	494.6	696.1	799.7	828.8	833.9	546.5	306.1	540.2	694.1	818.2
Net cash/(debt)	6.0	187.7	232.1	369.4	223.2	373.5	446.2	492.5	694.1	797.9	822.3	827.7	540.3	300.2	534.5	688.4	813.0
Operating cash flow	208.0	232.2	216.3	201.3	195.3	210.5	206.4	154.5	172.0	135.1	202.4	171.1	242.2	219.4	234.4	254.3	319.5

Source: Wheaton Precious Metals, Edison Investment Research

For the full year, Wheaton generated US\$1,027.6m from operating activities, before consuming US\$488.3m in investing activities and paying out US\$279.1m in dividends. In FY25, we estimate that it will generate US\$1,359.1m from operating activities, before consuming a net US\$912.2m in net investing activities and paying out an increased US\$336.8m in forecast dividends under the influence of its new, progressive dividend policy. However, readers should note that the timing of PMPA payments is uncertain and, inasmuch as investments are advanced or delayed, it is possible that WPM could register either a larger or smaller net cash position on its balance sheet by the year-end than that forecast. However, all other things being equal, in the absence of any major new asset acquisitions, we do not expect WPM to require recourse to its debt facilities in the foreseeable future.

Exhibit 18: Financial summary

\$000s	2020	2021	2022	2023	2024	2025e	2026e	2027e
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS								
Revenue	1,096,224	1,201,665	1,065,053	1,016,045	1,284,639	1,671,481	1,583,805	1,794,521
Cost of Sales	(266,763)	(287,947)	(267,621)	(228,171)	(235,108)	(267,291)	(342,793)	(373,082)
Gross Profit	829,461	913,718	797,432	787,874	1,049,531	1,404,190	1,241,012	1,421,439
EBITDA	763,763	852,733	735,245	719,704	976,637	1,334,780	1,171,602	1,352,029
Operating profit (before amort. and excepts.)	519,874	597,940	503,293	505,270	729,693	1,014,501	800,884	970,427
Intangible Amortisation	0	0	0	0	0	0	0	0
Exceptionals	4,469	162,806	164,214	4,593	(111,030)	0	0	0
Other	387	190	7,680	33,658	26,373	48,408	0	0
Operating Profit	524,730	760,936	675,187	543,521	647,036	1,062,909	800,884	970,427
Net Interest	(16,715)	(5,817)	(5,586)	(5,510)	(5,549)	(5,549)	1,661	2,284
Profit Before Tax (norm)	503,546	592,313	505,387	533,418	752,517	1,057,360	802,546	972,711
Profit Before Tax (FRS 3)	508,015	755,119	669,601	538,011	641,487	1,057,360	802,546	972,711
Tax	(211)	(234)	(475)	(367)	(112,347)	(163,845)	(112,822)	(130,978)
Profit After Tax (norm)	503,335	592,079	504,912	533,051	640,170	893,515	689,724	841,734
Profit After Tax (FRS 3)	507,804	754,885	669,126	537,644	529,140	893,515	689,724	841,734
Average Number of Shares Outstanding (m)	449	450	452	453	453	454	454	454
EPS - normalised (c)	112	132	112	118	141	197	152	186
EPS - normalised and fully diluted (c)	112	131	112	118	141	197	152	185
EPS - (IFRS) (c)	113	168	148	119	117	197	152	186
Dividend per share (c)	42	57	60	60	62	74	75	77
Gross Margin (%)	76	76	75	78	82	84	78	79
EBITDA Margin (%)	70	71	69	71	76	80	74	75
Operating Margin (before GW and except.) (%)	47	50	47	50	57	61	51	54
BALANCE SHEET								
Fixed Assets	5,755,441	6,046,427	6,039,813	6,463,774	6,596,377	7,188,321	7,189,734	7,180,263
Intangible Assets	5,521,632	5,940,538	5,753,111	6,169,534	6,426,674	7,018,618	7,020,031	7,010,560
Tangible Assets	33,931	44,412	30,607	47,562	70,728	70,728	70,728	70,728
Investments	199,878	61,477	256,095	246,678	98,975	98,975	98,975	98,975
Current Assets	201,831	249,724	720,093	567,411	828,080	955,943	1,300,296	1,786,974
Stocks	3,265	12,102	13,817	10,806	3,697	18,572	17,598	19,939
Debtors	5,883	11,577	10,187	10,078	6,217	9,159	8,678	9,833
Cash	192,683	226,045	696,089	546,527	818,166	928,212	1,274,020	1,757,201
Other	0	0	0	0	0	0	0	0
Current Liabilities	(31,169)	(29,691)	(30,717)	(26,075)	(29,504)	(28,766)	(32,386)	(33,838)
Creditors	(30,396)	(28,878)	(29,899)	(25,471)	(29,242)	(28,504)	(32,124)	(33,576)
Short-term borrowings	(773)	(813)	(818)	(604)	(262)	(262)	(262)	(262)
Long-term liabilities	(211,532)	(16,343)	(11,514)	(19,594)	(135,574)	(299,419)	(291,800)	(276,514)
Long-term borrowings	(197,864)	(2,060)	(1,152)	(5,625)	(4,909)	(4,909)	(4,909)	(4,909)
Other long-term liabilities	(13,668)	(14,283)	(10,362)	(13,969)	(130,665)	(294,510)	(286,891)	(271,605)
Net Assets	5,714,571	6,250,117	6,717,675	6,985,516	7,259,379	7,816,079	8,165,844	8,656,884
CASH FLOW								
Operating Cash Flow	779,156	845,832	737,821	725,548	997,762	1,364,634	1,176,677	1,349,985
Net Interest	(13,763)	(187)	6,227	33,770	23,491	(5,549)	1,661	2,284
Tax	49	(279)	(171)	(6,192)	8,516	0	(120,441)	(146,263)
Capex	149,648	(404,437)	(44,750)	(648,963)	(490,491)	(912,223)	(372,131)	(372,131)
Acquisitions/disposals	0	0	0	0	0	0	0	0
Financing	22,396	7,992	10,171	12,934	12,942	0	0	0
Dividends	(167,212)	(218,052)	(237,097)	(265,109)	(279,050)	(336,815)	(339,958)	(350,694)
Net Cash Flow	770,274	230,869	472,201	(148,012)	273,170	110,046	345,808	483,181
Opening net debt/(cash)	774,766	5,954	(223,172)	(694,119)	(540,298)	(812,995)	(923,041)	(1,268,849)
HP finance leases initiated	0	0	0	0	0	0	0	0
Other	(1,462)	(1,743)	(1,254)	(5,809)	(473)	(0)	0	0
Closing net debt/(cash)	5,954	(223,172)	(694,119)	(540,298)	(812,995)	(923,041)	(1,268,849)	(1,752,030)

Source: Company sources, Edison Investment Research

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