

# Pan American Silver

## Growth, returns and discipline

Investor day

**Pan American Silver's (PAAS's) 2026 investor day reinforced a strategy centred on self-funded organic growth, disciplined capital allocation and enhanced shareholder returns. The main operational focus was on progressing a pipeline of higher-value growth options, including La Colorada Skarn, Jacobina and the Timmins Camp Project, while strong cash generation should support ongoing investment and shareholder returns.**

Year end	Revenue (\$m)	EBITDA (\$m)	EPS (\$)	DPS (\$)	Yield (%)	EV/EBITDA (x)
12/24	2,818.9	1,028.6	0.80	0.40	0.8	21.9
12/25	3,619.1	1,817.0	2.53	0.54	1.0	12.4
12/26e	4,979.5	3,208.3	4.20	0.72	1.4	7.0
12/27e	4,779.0	3,114.1	4.10	0.72	1.4	7.2

Note: EPS is Edison normalised, excluding investment income/loss. Dividend as declared for the period

## Investor day: Disciplined growth and capital returns

At its 1 June 2026 investor day, management focused on asset quality, active portfolio optimisation and disciplined capital allocation. The company highlighted its multi-decade track record of operational delivery, well-timed acquisitions and the execution of more than US\$1.0bn in non-core asset divestments, helping to self-fund organic growth projects. Across the portfolio, key growth updates spanned process plant optimisation at Jacobina, a de-risked development route at La Colorada Skarn and district-wide integration at Timmins. Management also emphasised the recently introduced shareholder returns framework, which targets distributions of 35–40% of annual attributable free cash flow through a mix of dividends and opportunistic share buybacks.

## Timmins: Rediscovered regional growth potential

PAAS is advancing a phased regional development strategy to increase throughput and extend mine life at its Timmins operations in Ontario. The Timmins Camp Project aims to integrate satellite deposits, including Vogel, Samson and Gold River, into the existing Bell Creek processing plant, where current throughput of c 4,400tpd compares with design capacity of c 5,600tpd. The board has approved a US\$146m Phase 1 investment covering the 625m Bell Creek shaft deepening, a 814m drift to access Vogel and a 1.3km exploration drift to access Samson. Initial FY26 spending is included in unchanged Timmins project capital guidance of US\$40–43m. Recent exploration supports this infrastructure-led strategy, confirming down-dip continuity at Bell Creek and returning strong Vogel intercepts, including 19.9m at 8.11g/t Au and 10.5m at 8.82g/t Au.

## Valuation: Unchanged at US\$65.0/share

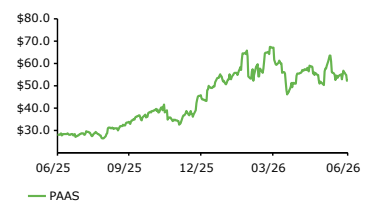
Our DCF-based valuation remains unchanged at US\$65.0/share, reflecting a generally supportive precious metals price environment, high-margin silver exposure through Juanicipio, positive operating momentum and PAAS's strong balance sheet. On our estimates, the shares trade on 12.5x FY26e P/E, below the post-COVID 12-month forward average multiple of c 23x. Beyond this, the expanding organic growth pipeline, including Timmins, provides additional upside potential, while the enhanced shareholder returns framework and planned buybacks should further support per-share returns.

### Metals and mining

4 June 2026

<b>Price</b>	<b>\$52.59</b>
<b>Market cap</b>	<b>\$23,260m</b>
Net cash at Q126	\$769.0m
Shares in issue	421.4m
Free float	100.0%
Code	PAAS
Primary exchange	TSX
Secondary exchange	NYSE

### Share price performance



%	1m	3m	12m
Abs	8.4	(17.4)	113.9
52-week high/low		\$69.2	\$24.6

### Business description

Pan American Silver is one of the largest global primary silver producers and a sizeable gold miner with operations in North, Central and South America since 1994. Its portfolio includes 10 producing operations, the currently suspended top tier Escobal silver mine and a number of large-scale advanced exploration/development projects.

### Next events

Q226 results	August 2026
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**Exhibit 1: Financial summary**

US\$m, Dec year end	2023	2024	2025	2026e	2027e
	IFRS	IFRS	IFRS	IFRS	IFRS
<b>INCOME STATEMENT</b>					
Revenue	2,316	2,819	3,619	4,980	4,779
Cash production costs	(1,479)	(1,634)	(1,604)	(1,739)	(1,656)
DD&A	(484)	(572)	(497)	(500)	(481)
Royalties	(56)	(65)	(113)	(223)	(164)
Gross Profit	297	549	1,405	2,518	2,478
G&A	(61)	(70)	(116)	(110)	(100)
Other operating costs	(97)	(42)	(46)	(51)	(42)
<b>Operating profit (before amort. and excepts.)</b>	<b>196</b>	<b>553</b>	<b>1,243</b>	<b>2,357</b>	<b>2,336</b>
<b>EBITDA</b>	<b>681</b>	<b>1,029</b>	<b>1,817</b>	<b>3,208</b>	<b>3,114</b>
Other operating expenses	3	11	(9)	0	0
Exceptionals	(104)	84	(78)	0	0
<b>Reported operating profit</b>	<b>38</b>	<b>531</b>	<b>1,233</b>	<b>2,709</b>	<b>2,633</b>
Net Interest and other finance expense	(91)	(85)	(84)	(95)	(90)
<b>Profit Before Tax (norm)</b>	<b>108</b>	<b>479</b>	<b>1,227</b>	<b>2,614</b>	<b>2,544</b>
Investment income (loss)	(6)	(14)	89	22	0
<b>Profit Before Tax (reported)</b>	<b>(59)</b>	<b>432</b>	<b>1,238</b>	<b>2,636</b>	<b>2,544</b>
Reported tax	(46)	(319)	(258)	(843)	(814)
Profit After Tax (norm)	62	291	969	1,770	1,731
Profit After Tax (reported)	(105)	113	980	1,792	1,730
Minority interests	(1)	1	2	2	2
Net income (normalised)	63	290	967	1,768	1,730
<b>Net income (reported)</b>	<b>(104)</b>	<b>112</b>	<b>978</b>	<b>1,790</b>	<b>1,729</b>
Average Number of Shares Outstanding (m)	327	363	381	421	421
EPS - basic normalised (\$)	0.19	0.80	2.53	4.20	4.10
EPS - basic reported (\$)	(0.32)	0.31	2.56	4.25	4.10
EPS - adjusted company (\$)	0.12	0.79	2.54	4.25	4.10
Dividend declared (\$)	0.40	0.40	0.54	0.72	0.72
Dividend paid (\$)	0.40	0.40	0.46	0.72	0.72
<b>BALANCE SHEET</b>					
<b>Fixed Assets</b>	<b>5,823</b>	<b>5,482</b>	<b>7,546</b>	<b>7,784</b>	<b>7,785</b>
Tangible assets	5,675	5,325	5,338	5,378	5,236
Investments	0	0	0	0	0
Other, including investment in Juanicipio	148	157	2,208	2,406	2,549
<b>Current Assets</b>	<b>1,390</b>	<b>1,720</b>	<b>2,196</b>	<b>3,756</b>	<b>5,263</b>
Inventories	712	606	588	619	626
Receivables	138	165	232	243	253
Cash	400	863	1,215	2,711	4,201
ST investments	41	25	104	126	126
Other	99	62	57	57	57
<b>Current Liabilities</b>	<b>(624)</b>	<b>(687)</b>	<b>(817)</b>	<b>(835)</b>	<b>(840)</b>
Creditors	(498)	(489)	(549)	(567)	(572)
Short term borrowings and leases	(52)	(47)	(58)	(58)	(58)
Other	(74)	(150)	(210)	(210)	(210)
<b>Long Term Liabilities</b>	<b>(1,816)</b>	<b>(1,799)</b>	<b>(1,924)</b>	<b>(2,204)</b>	<b>(2,238)</b>
LT debt and leases	(749)	(756)	(794)	(794)	(794)
Other long term liabilities	(1,067)	(1,043)	(1,130)	(1,410)	(1,444)
<b>Net Assets</b>	<b>4,772</b>	<b>4,717</b>	<b>7,001</b>	<b>8,501</b>	<b>9,970</b>
Minority interests	(12)	(13)	(4)	(6)	(8)
<b>Shareholders' equity</b>	<b>4,761</b>	<b>4,704</b>	<b>6,997</b>	<b>8,495</b>	<b>9,962</b>
<b>CASH FLOW</b>					
Profit after tax	(105)	113	980	1,792	1,730
D&A, exceptionals, other	664	926	709	1,064	1,088
Working capital movement	69	(128)	(29)	(24)	(12)
Tax	(149)	(164)	(318)	(600)	(814)
Net Interest	(28)	(23)	(9)	0	0
<b>Net operating cash flow</b>	<b>450</b>	<b>724</b>	<b>1,333</b>	<b>2,232</b>	<b>1,991</b>
Capex	(379)	(323)	(314)	(538)	(337)
Acquisitions/disposals	759	310	41	0	0
Equity financing	0	(23)	(43)	(25)	0
Dividends	(130)	(145)	(175)	(303)	(303)
Other	(15)	(54)	(392)	153	139
Net Cash Flow	685	489	450	1,519	1,489
<b>Opening net debt/(cash), including ST investments</b>	<b>85</b>	<b>361</b>	<b>(84)</b>	<b>(467)</b>	<b>(1,985)</b>
FX and other	(961)	(44)	(67)	0	0
<b>Closing net debt/(cash)</b>	<b>361</b>	<b>(84)</b>	<b>(467)</b>	<b>(1,985)</b>	<b>(3,475)</b>
Closing net debt/(cash), excluding ST investments	402	(59)	(363)	(1,859)	(3,349)

Source: PAAS, Edison Investment Research

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