Wheaton Precious Metals

Honing Q226 estimates

Q226 results preview

Metals and mining

28 July 2026

Wheaton Precious Metals' (WPM's) Q226 financial results are scheduled for release on 6 August. To date, production numbers from Salobo, Sudbury, Voisey's Bay, Blackwater, San Dimas, Neves-Corvo and Zinkgruvan are already known and are broadly in line with our expectations. Production from Penasquito (announced on 23 July) was slightly below our expectations (7Moz cf 8Moz). However, we believe there is credible evidence that sales will have outperformed production in Q2, as a record historical under-sale of material in Q1 is reversed. Although precious metals prices have fallen by c 20.2% since our last note therefore, we have reduced our Q226 EPS forecast by only 1.9% to US$1.158 and our FY26 EPS forecast by only 15.6% to US$4.33. In this respect, we note that we remain at the more conservative end of the range of market expectations for the full year. Note that, if current metals prices prevail into next year, our FY27 EPS forecast would rise from that shown below to US$4.39(ie effectively flat cf FY26).

Year end	Revenue ($m)	PBT ($m)	EPS ($)	DPS ($)	P/E (x)	Yield (%)
12/24	1,284.6	752.5	1.41	0.62	78.0	0.6
12/25	2,314.6	1,605.8	3.02	0.66	36.4	0.6
12/26e	3,486.2	2,323.8	4.33	0.78	25.4	0.7
12/27e	3,185.4	1,778.0	3.36	0.82	32.8	0.7

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items. Note that small discrepancies with Exhibit 16 may occur as a result of short-term fluctuations in forex levels.

Precious metals prices bottoming

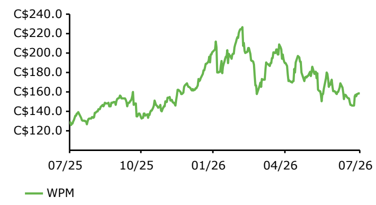
While relatively anecdotal, an analysis of Wheaton's valuation multiples at Edison's long-term prices, consensus long-term prices and current spot prices (see Exhibit 16) suggests that the equity market believes that precious metals prices have stopped falling and will remain flat until December 2028.

Valuation: Still trending up

Using a CAPM-type method, whereby we discount cash flows at a nominal 9% per year, we calculate a modestly increased terminal value for WPM of US$90.63 (or C$127.60) per share in FY30, assuming zero long-term growth in real cash flows thereafter (which is highly unlikely). If we instead assume 8.2% per year long-term growth in cash flows (ie the average CAGR in the price of gold from 1967 to 2025), our terminal value rises to US$619.78 (C$872.65) per share and our current valuation to US$410.70 (C$578.26) per share. At an implied growth rate of 6.1% per year therefore, WPM's share price currently appears to be discounting future compound annual average increases in cash flows per share from FY30, well below historical levels (+17.1% CAGR since FY05), especially given that production is expected to deliver 9.1% per year organic growth between FY26 and FY30 alone. An alternative interpretation is that the market is assuming that current precious metals prices will prevail into FY30 with compound annual average increases in WPM's cash flows per share thereafter of just 3.6% per year (ie below the long-term rate of US inflation). Otherwise, assuming no purchases of additional streams (also unlikely), we calculate a value per share of US$104.50 (C$143.41, or £78.47) in FY27, based on a historical multiple of 31.1x contemporary earnings (albeit at a gold price of only US$2,239/oz and a silver price of only US$60.00/oz). At current prices, this value rises by 43.6% to US$150.01 (or C$205.87 or £112.64) per share.

Price	**C $155.39**
Market cap	**C $71,203m**
	C$1.4080/US$, US$1.3318/£
Net cash at end Q126 (excluding US$7.7m in lease liabilities)	$2,164.7m
Shares in issue	454.2m
Code	WPM
Primary exchange	TSX
Secondary exchange	LSE

Share price performance



%	1m	3m	12m
Abs	(9.1)	(20.7)	21.2
52-week high/low		C$226.0	C$124.3

Business description

Wheaton Precious Metals (WPM) is the world's pre-eminent 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, Australia, Argentina, Peru, Sweden, Greece, Portugal and Colombia among others.

Next events

Q226 results	6 August 2026
Q326 results	5 November 2026

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Edison profile page

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

Updated Q226 and FY26 forecasts

WPM's Q226 financial results are being released on Thursday 6 August, after the bell in Toronto. Our last note on Wheaton was written on 11 May, when the gold price was 17.7% higher than today. This note updates our forecasts for Q226 and FY26 in the light of movements in metals prices as well as production numbers for Salobo, Sudbury, Voisey's Bay, Neves-Corvo, Zinkgruvan, San Dimas, Blackwater and Penasquito for the quarter:

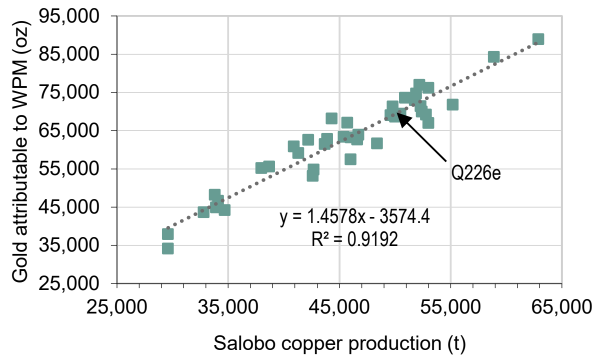
Exhibit 1: Updated WPM Q226e and FY26e underlying financial forecasts* by quarter

US$000s (unless otherwise stated)	Q126	Q226e (prior)	Q226e	Q326e (prior)	Q326e	Q426e (prior)	Q426e	FY26e	FY26e (prior)	Variance** (%)	Variance** (units)
Silver production (koz)	6,636	7,461	6,664	7,499	7,421	7,514	7,449	**28,170**	**29,109**	(10.7)	(797)
Gold production (oz)	97,106	99,602	97,916	106,517	107,050	108,712	109,245	**411,318**	**411,937**	(1.7)	(1,686)
Palladium production (oz)	2,561	4,213	3,000	4,213	4,213	4,213	4,213	**13,987**	**15,200**	(28.8)	(1,213)
Cobalt production (klb)	657	561	522	561	561	561	561	**2,301**	**2,340**	(6.9)	(39)
Silver sales (koz)	5,049	6,305	6,775	6,339	6,293	7,296	7,254	**25,371**	**24,988**	7.5	470
Gold sales (oz)	95,072	92,706	91,137	99,345	99,842	108,554	109,087	**395,138**	**395,677**	(1.7)	(1,569)
Palladium sales (oz)	2,906	3,932	2,800	3,932	3,932	3,932	3,932	**13,571**	**14,703**	(28.8)	(1,132)
Cobalt sales (klb)	309	561	522	561	561	561	561	**1,953**	**1,992**	(6.9)	(39)
Avg realised Ag price (US$/oz)	85.07	77.86	73.14	79.38	57.87	79.38	57.54	**67.16**	**80.04**	(6.1)	(4.72)
Avg realised Au price (US$/oz)	4,875	4,704	4,507	4,706	4,019	4,706	4,000	**4,326**	**4,740**	(4.2)	(197)
Avg realised Pd price (US$/oz)	1,689	1,510	1,409	1,505	1,261	1,505	1,260	**1,383**	**1,543**	(6.7)	(101)
Avg realised Co price (US$/lb)	28.36	25.33	25.33	25.33	25.34	25.33	25.34	**25.81**	**25.80**	(0.0)	(0.00)
Avg Ag cash cost (US$/oz)	13.53	12.97	11.60	13.13	11.22	13.15	11.21	**11.78**	**13.18**	(10.6)	(1.37)
Avg Au cash cost (US$/oz)	556	530	526	518	503	525	507	**514**	**524**	(0.7)	(4)
Avg Pd cash cost (US$/oz)	310	272	254	271	227	271	227	**250**	**279**	(6.7)	(18)
Avg Co cash cost (US$/lb)***	5.23	4.56	4.56	4.56	4.56	4.56	4.56	**4.67**	**4.66**	(0.0)	(0.00)
Sales	901,469	948,283	924,516	992,502	785,961	1,111,808	874,283	**3,486,229**	**3,954,062**	(2.5)	(23,767)
Cost of sales											
Cost of sales, excluding depletion	125,243	134,719	129,817	138,716	124,577	156,876	140,428	**520,065**	**555,553**	(3.6)	(4,902)
Depletion	76,852	133,383	132,765	140,647	140,655	158,122	158,154	**508,427**	**509,005**	(0.5)	(618)
Total cost of sales	202,095	268,102	262,582	279,363	265,232	314,998	298,583	**1,028,492**	**1,064,558**	(2.1)	(5,520)
Earnings from operations	699,374	680,180	661,934	713,139	520,729	796,810	575,700	**2,457,737**	**2,889,504**	(2.7)	(18,247)
Expenses and other income											
– General and administrative****	24,581	19,717	13,635	19,800	19,138	19,800	19,800	**77,154**	**83,899**	(30.8)	(6,083)
– Foreign exchange (gain)/loss	0	0	0	0	0	0	0	**0**	**0**	N/A	0
– Net interest paid/(received)	1,405	28,992	28,992	23,274	25,048	15,838	19,815	**75,261**	**69,509**	0.0	0
– Other (income)/expense	(18,464)	0	0	0	0	0	0	**(18,464)**	**(18,464)**	N/A	0
Total expenses and other income	7,522	48,710	42,627	43,074	44,186	35,638	39,616	**133,951**	**134,944**	(12.5)	(6,083)
Earnings before income taxes	691,852	631,471	619,306	670,065	476,542	761,172	536,085	**2,323,786**	**2,754,560**	(1.9)	(12,164)
Income tax expense/(recovery)	109,080	95,682	93,567	103,065	72,478	118,156	82,352	**357,477**	**425,983**	(2.2)	(2,116)
Marginal tax rate (%)	15.8	15.2	15.1	15.4	15.2	15.5	15.4	**15.4**	**15.5**	(0.3)	(0.0)
Net earnings	582,772	535,788	525,740	567,000	404,065	643,016	453,733	**1,966,309**	**2,328,577**	(1.9)	(10,049)
Average no. shares in issue (000s)	454,044	454,044	454,044	454,044	454,044	454,044	454,044	**454,044**	**454,044**	0.0	0
Basic EPS (US$)	1.284	1.180	1.158	1.249	0.890	1.416	0.999	**4.331**	**5.129**	(1.9)	(0.022)
Diluted EPS (US$)	1.281	1.178	1.156	1.246	0.888	1.413	0.997	**4.323**	**5.119**	(1.9)	(0.022)
DPS (US$)	0.195	0.195	0.195	0.195	0.195	0.195	0.195	**0.780**	**0.780**	0.0	0.000

Source: Edison Investment Research, Wheaton Precious Metals.
Note: *Excluding impairments, impairment reversals and exceptional items (unless otherwise indicated). **Variance is current Q226 estimate cf prior Q226 estimate. ***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.

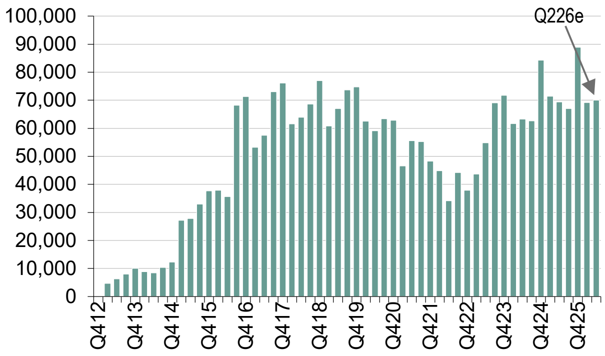
At the time of writing, primary production numbers are known for Sudbury, Salobo and Voisey's Bay (all announced by Vale on 21 July), Neves-Corvo and Zinkgruvan (announced by Boliden also on 21 July), San Dimas (announced by First Majestic on 8 July), Blackwater (announced by Artemis on 13 July) and Penasquito (announced by Newmont on 23 July). Potentially the most consequential of these was the 52,800t copper produced at Salobo (cf 52,800t in Q126 and our prior expectation was of c 50,000t). The relationship between copper output at Salobo and gold production attributable to Wheaton is extremely close (see Exhibit 3), and this enables us to predict associated gold production attributable to Wheaton from Salobo to be 72,946oz (±3,480oz) in Q2. Since this is very close to our prior forecast of 70,000oz, we have left this assumption unchanged (as depicted in Exhibits 2 and 3).

Exhibit 2: Salobo copper production (tonnes) vs gold production attributable to WPM (oz), Q316–Q226e



Source: Wheaton Precious Metals, Vale, Edison Investment Research

Exhibit 3: Gold production attributable to WPM from Salobo, Q412–Q226e (oz)



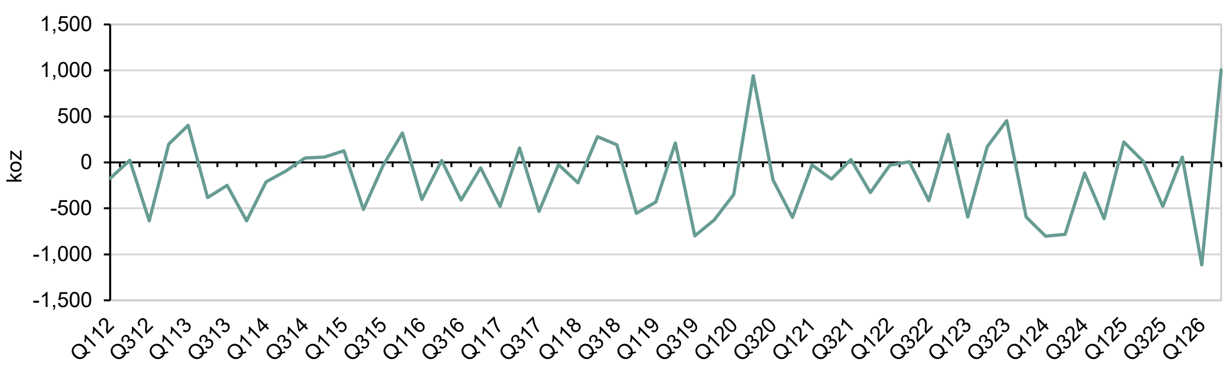
Source: Wheaton Precious Metals, Edison Investment Research

Our silver production forecasts for Neves-Corvo and Zinkgruvan have changed by +9.2% and -8.1%, respectively, based on their output of copper and zinc during the quarter; however, this has a negligible effect on our forecasts for WPM, as do changes to our forecasts for Sudbury (-820oz Au) and Voisey's Bay (-39klb Co). Actual production at Blackwater and San Dimas was very close to our prior expectations, although we note that First Majestic (the operator) has increased its output guidance for FY26, from 4.0–4.4Moz to 4.6–4.9Moz Ag and from 49–55koz to 52–56koz Au (of which Wheaton is entitled to 25% of the gold plus 25% of the silver converted into gold at a rate of 70 to 1).

However, the most consequential production and sales result for Q226 was from Penasquito (announced by Newmont on 23 July), which reported silver production during the three-month period of 7Moz (of which WPM's share should be 1.75Moz relative to the terms of its stream) and sales of 6Moz (of which WPM's pro rata share should be 1.5Moz). However, these compare with Penasquito's announced production of 9Moz in Q126 (of which WPM's pro rata share should have been 2.25Moz) and sales of 10Moz (of which WPM's pro rata share should have been 2.5Moz, but was only reported as 1.4Moz). That is to say, WPM reported approximately 1Moz less in silver sales in Q1 than it might reasonably have expected to have done given the terms of its precious metals purchase agreement (PMPA) with Newmont. In addition, Newmont reported 'Favourable accounts receivable movements of $461m, primarily at Penasquito and Cadia' in Q226 – the implication being that a large stockpile of finished product inventory was built up at Penasquito in Q1, which was available for release in Q2. This was anecdotally supported, to some extent, by the 1.6Moz increase in silver ounces produced but not yet delivered reported by Wheaton in Q1.

In previous quarters in which there have been material under-sales of silver relative to production at Penasquito, the imbalance has typically been recovered within no more than two quarters to roughly the equivalent extent, as shown in the chart below:

Exhibit 4: Penasquito over- and under-sales relative to production (koz), Q112–Q226e



Source: Edison Investment Research, Wheaton Precious Metals

Given the apparent 1Moz silver under-sale at Penasquito in Q1 therefore, we expect an almost 1Moz over-sale in Q2 to clear the inventory built up (also shown in Exhibit 4).

The change to our forecasts in the light of these adjustments is shown in Exhibit 1. Exhibit 5 compares our updated EPS forecasts with those of the market:

Exhibit 5: Edison WPM FY26 EPS forecasts cf consensus, by quarter (US$/share)

	Q126	Q226e	Q326e	Q426e	Sum Q1–Q426e	FY26e
Edison forecasts	1.284	1.158	0.890	0.999	4.331	4.331
Mean consensus	1.284	1.245	1.364	1.458	5.351	4.915
High consensus	1.284	1.690	1.940	2.200	7.114	5.280
Low consensus	1.284	0.970	1.160	1.110	4.524	4.260

Source: LSEG Data & Analytics, Edison Investment Research. Note: Forecasts as at 23 July 2026.

Readers should note the sometimes material discrepancies between FY26e EPS calculated as the sum of its four quarters and FY26e EPS stated as a single figure. Among other things, this suggests some analysts are forecasting Wheaton's performance based on an annual financial model alone, rather than a quarterly one. In this case, it also suggests a wide range of precious metal and operational expectations for the remainder of the year, particularly at the upper end of the consensus range.

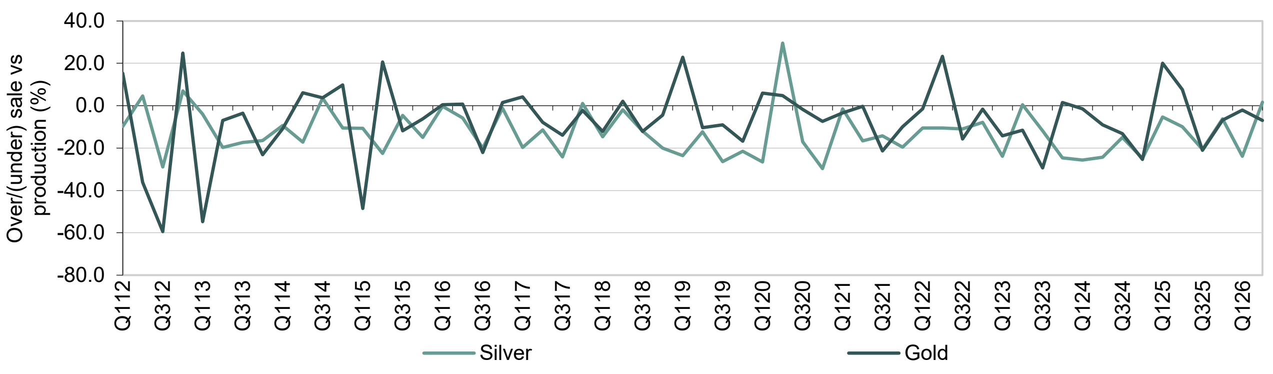
For the future, Hudbay announced, on 2 July, that its Constancia mine had received approval from the National Environmental Certification Service for Sustainable Investments in Perú to amend its environmental permit and further increase annual mill processing capacity from 31Mtpa to 34Mtpa. This will allow it to operate at 34Mtpa, while maintaining the standard operational flexibility to handle daily increases of up to 10% above permitted levels. It follows a similar permit approval in March 2026 to increase throughput capacity from 29.9Mtpa to 31.0Mtpa. The permit amendment also approves further optimisation of the mine plan, extends the operational life of Constancia and incorporates the implementation of additional infrastructure to improve tailings transport infrastructure and water management systems.

Although relatively small within the context of Wheaton, in June, Mexican federal authorities, state officials and Equinox Gold formalised land access agreements that pave the way for the restart of the Los Filos gold mine in Guerrero, ending more than a year of disrupted operations.

Ounces produced but not yet delivered

From a relatively balanced position in Q126, we expect gold sales to be 6.9% (or 6,780oz) below production, which is in line with the long-term average of 6.9% (±17.0% standard deviation) since Q112. However, on account of the anticipated inventory release at Penasquito, we expect silver sales to be almost exactly in line with production, which compares with a long-term quarterly rate of under-sales of 12.9% (±10.8% standard deviation), as shown in the chart below:

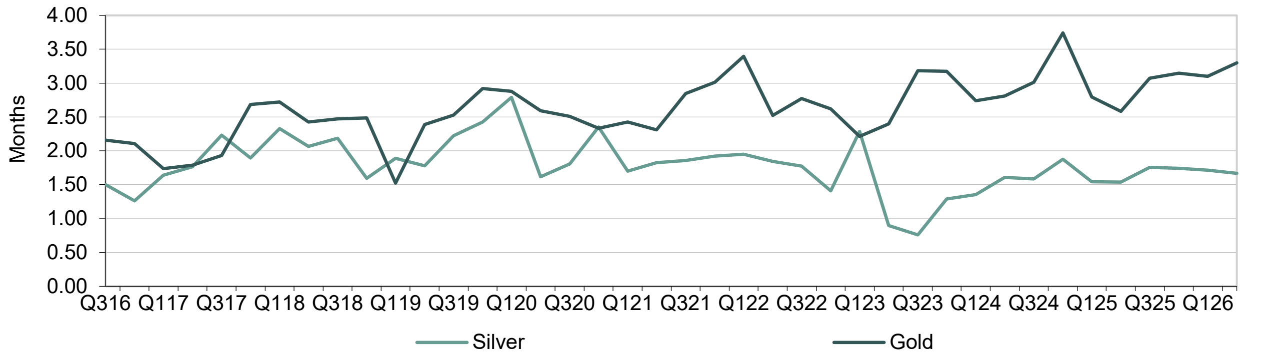
Exhibit 6: WPM over- and under-sale of silver and gold as a percentage of production, Q112–Q226e



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

Consequently, we estimate that gold ounces produced but not yet delivered (PBND) to Wheaton may have increased to c 113,092oz, or 3.3 months of estimated FY26 production, which compares with WPM's target levels of two to three months of PBND for gold and palladium production. We estimate that silver ounces PBND will be approximately flat at c 3,917koz, or 1.7 months of estimated FY26 production, which compares with WPM's target level of two months for silver production.

Exhibit 7: WPM ounces produced but not yet delivered, Q316–Q226e (months of production)

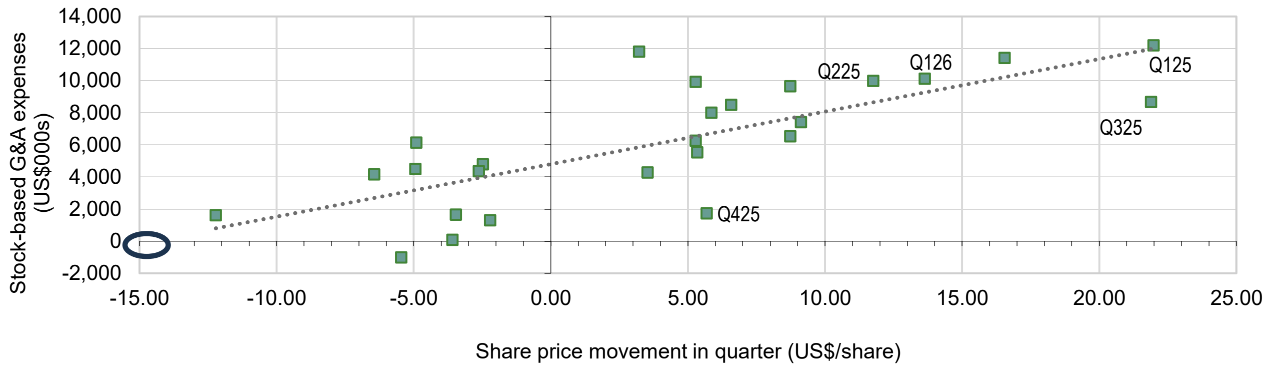


Source: Edison Investment Research, Wheaton Precious Metals. Note: As reported.

General and administrative expenses

Relative to guidance of US$50–55m (US$12.50–13.75m per quarter) for FY25, we estimate non-stock G&A expenses at Wheaton for FY26 in the order of US$60m. Beyond that, stock-based G&A expenses broadly correlate with movements in WPM's share price (in US dollars) between quarters, and, given the movement in WPM's shares, we would therefore estimate that these will be close to zero in Q226 (as shown by the oval in Exhibit 8, below):

Exhibit 8: Historical share price change (US$/share) versus stock-based G&A expenses (US$000s), quarterly, Q419–Q126



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

Taken together, we therefore forecast a total G&A expense for Q226 of US$13.6m, which would be the lowest since Q124 of US$13.3m:

Exhibit 9: WPM G&A expenses, Q124–Q226e (US$000s)

Item	Q124	Q224	Q324	Q424	Q125	Q225	Q325	Q425	Q126	Q226e
G&A salaries excluding PSU and equity settled stock-based compensation	5,365	5,083	5,002	5,049	7,811	5,631	5,866	6,682	6,642	
Other (including depreciation, donations and professional fees)	6,669	5,861	6,838	9,759	8,407	7,759	5,964	9,383	7,826	
Non-stock-based G&A	**12,034**	**10,944**	**11,840**	**14,808**	**16,218**	**13,390**	**11,830**	**16,065**	**14,468**	**15,000**
Guidance	10,250–11,250	10,250–11,250	10,250–11,250	10,250–11,250	12,500–13,750	12,500–13,750	12,500–13,750	12,500–13,750		
PSU accrual	(317)	4,586	7,903	4,393	10,756	8,153	7,040	80	8,466	
Equity settled stock-based compensation	1,598	1,655	1,725	1,725	1,425	1,809	1,612	1,629	1,647	
Stock-based G&A	**1,281**	**6,241**	**9,628**	**6,118**	**12,181**	**9,962**	**8,652**	**1,709**	**10,113**	**(1,365)**
Total general & administrative	**13,315**	**17,185**	**21,468**	**20,926**	**28,399**	**23,352**	**20,482**	**17,774**	**24,581**	**13,635**
Non-stock as pct of total G&A (%)	**90.4**	**63.7**	**55.2**	**70.8**	**57.1**	**57.3**	**57.8**	**90.4**	**58.9**	**110.0**

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

Guidance for FY26 and beyond

On 16 February, WPM provided detailed production guidance for FY26, FY30 and FY31–35. This guidance is reproduced below relative to Edison's updated forecasts for the equivalent periods of time:

Exhibit 10: WPM precious metals production – Edison forecasts cf guidance

	FY26e	FY30e (target)	FY31–35 (average)
Prior Edison forecast			
Silver production (Moz)	29		
Gold production (koz)	412		
Cobalt production (klb)	2,340		
Palladium production (koz)	15		
Gold equivalent (koz)	915	1,274	1,164
Current Edison forecast			
Silver production (Moz)	28		
Gold production (koz)	411		
Cobalt production (klb)	2,301		
Palladium production (koz)	14		
Gold equivalent (koz)	898	1,274	1,164
WPM guidance			
Silver production (Moz)	27–29		
Gold production (koz)	400–430		
Cobalt & palladium production (koz AuE)	19–21		
Gold equivalent (koz)	860–940	1,200	1,200

Source: Wheaton Precious Metals, Edison Investment Research

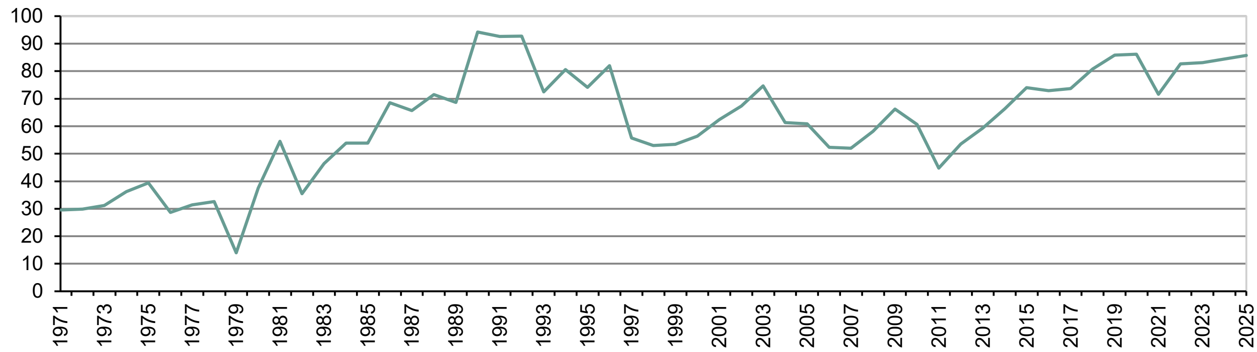
In the short term, increases in output will be driven by the newly acquired Antamina and Hemlo streams plus contributions from newly operating assets such as Blackwater, Mineral Park, Fenix, Goose and Platreef, partially offset by some moderation in output from Salobo as higher throughput levels are counteracted by modestly lower gold grades and from Constancia following the depletion of the Pampacancha pit in late December 2025.

In the longer term, production is forecast by Wheaton (and, effectively, Edison as well) to increase by approximately one-third from FY26 levels to 1,200,000 gold equivalent ounces (GEOs) by 2030, owing to growth from multiple operating assets, including Antamina, Blackwater, Aljustrel, Marmato, Hemlo, Constancia (on account of its mill capacity increase approval) and Goose, development assets that are in construction and/or various stages of ramp-up, including Koné, Fenix, Kurmuk, Platreef, Mineral Park and El Domo, and pre-development assets (all of which have received their major permits), including Spring Valley, Copper World and Santo Domingo.

From 2031 to 2035, attributable production is then forecast to be maintained at c 1,200,000 GEOs annually with additional incremental production from pre-development assets including Cangrejos, Kudz ze Kayah and Marathon, in addition to the Mt Todd and Black Pine royalties. Not included in Wheaton's long-term forecast, and instead classified as 'optionality', is potential future production from 11 other assets including El Alto, Navidad and Toroparu as well as the potential expansion of Salobo beyond the Salobo III mine expansion project and future stream purchases.

WPM's guidance for FY26 and beyond is based on standardised pricing assumptions of US$4,800/oz gold, US$80.00/oz silver, US$1,500/oz palladium, US$2,000/oz platinum and US$25.00/lb cobalt. Of note is the implied gold/silver ratio of 60.0x, which is closely in line with the 60.1x that this ratio has averaged since gold was demonetised in August 1971, but slightly removed from the 70x ratio at which the two metals are currently trading:

Exhibit 11: Gold/silver ratio, 1971–2025



Source: Edison Investment Research (underlying data: Bloomberg)

At the updated standardised prices indicated, Edison's production forecast of 898koz GEO (or AuE) for FY26 is close to the middle of Wheaton's guidance range of 860–940k GEOs. However, our sales forecast is slightly more conservative, at 833k GEOs (representing a sales shortfall of 7.2% relative to production, which is fractionally below the average annual under-sales rate of 10.1% (±4.8%) since Q121).

Within this context, readers will note that our longer-term production forecasts for FY30 and FY31–35 are within 6.2% of WPM's longer-term guidance.

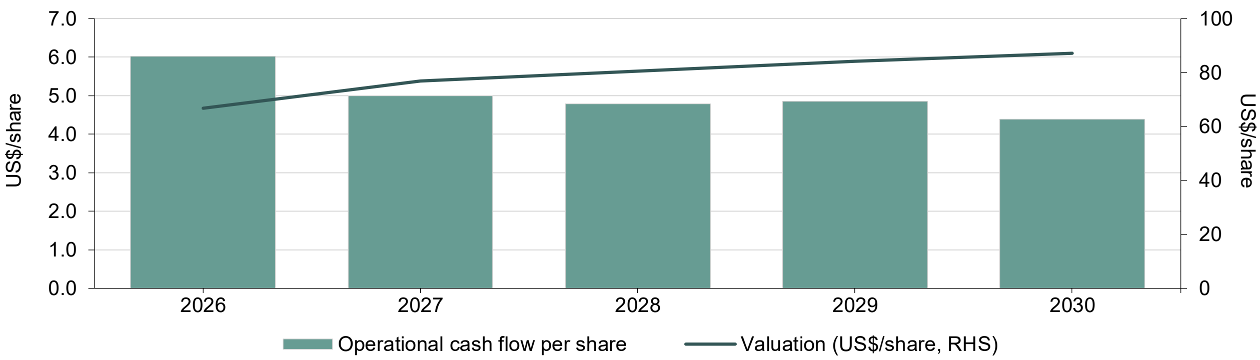
Valuation

Absolute valuation

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 FY26, in the case of WPM, we discount forecast cash flows back over five years to the start of FY26 and then apply an ex-growth terminal multiple to forecast cash flows in that year (FY30) based on the appropriate discount rate.

In this case, our estimate of WPM's terminal cash flow in FY30 remains virtually unchanged at US$4.39/share. Assuming 4.0% growth in nominal cash flows beyond FY30 (ie 0.0% 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 $90.63, or C$127.60, per share. On this basis, our current valuation of the company would be US$66.79, or C$94.03, per share.

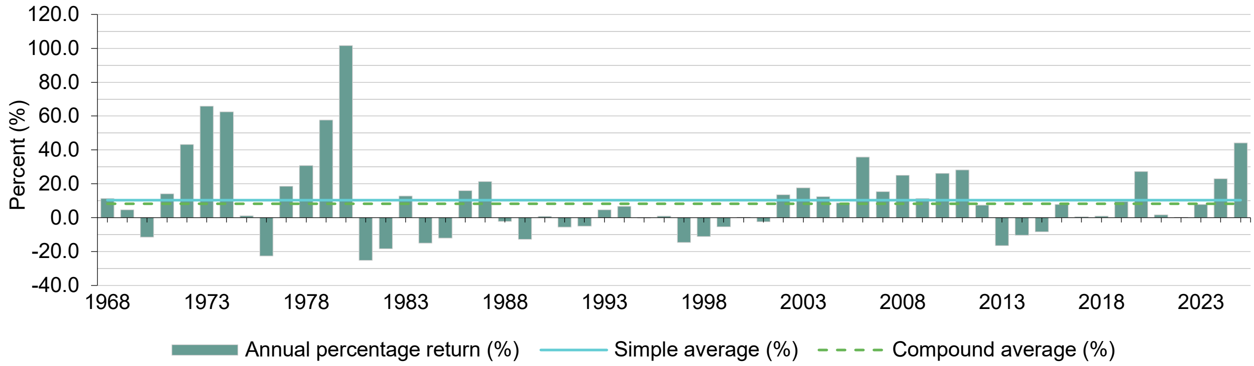
Exhibit 12: WPM operational cash flow and related valuation (US$/share), FY26-30



Source: Edison Investment Research. Note: Valuation line assumes cash flow per share growth rate of 4.0% per year post-FY30 in nominal terms, which equals the average US rate of CPI inflation since 1967 (ie 0.0% pa growth in real terms).

However, this valuation is inherently conservative in that it assumes (nominal) gold and silver prices of US$2,274/oz and US$35/oz, respectively, 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 8.2% per year from 1967 to 2025, a simple average annual growth rate of 10.4% per year (cf a compound average inflation rate over the same period of 4.0%) and a compound average real annual growth rate of 4.1% per year.

Exhibit 13: Gold price annual performance, 1968–2025



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 23.1% for the 20 years between FY05 and FY25, while its operational cash flows per share have increased at a compound average annual growth rate of 17.1%.

If we instead assume that cash flows per share increase at a compound average annual growth rate of 8.2% (ie the average compound average annual growth rate in the gold price from 1967 to 2025, cf 4.0% above), then our terminal valuation of WPM increases manyfold to US$619.78/share, or C$872.65/share, and our current valuation to US$410.70/share, or C$578.26/share.

Stated alternatively, WPM's current share price of C$155.39 appears to be discounting future compound annual average increases in cash flow per share of just 6.1% per year from FY30, which is only modestly higher than the long-term average rate of US inflation of 4.0% per year from 1967 to 2025 (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$/share)	WPM valuation (C$/share)
4.0	Zero real growth rate (ie rate equals compound average US inflation rate, 1967–2025)	66.79	94.03
6.1	Implied cash flow per share growth rate required to justify current share price	110.36	155.39
8.2	Gold price compound average annual growth rate, 1967–2025	410.70	578.26

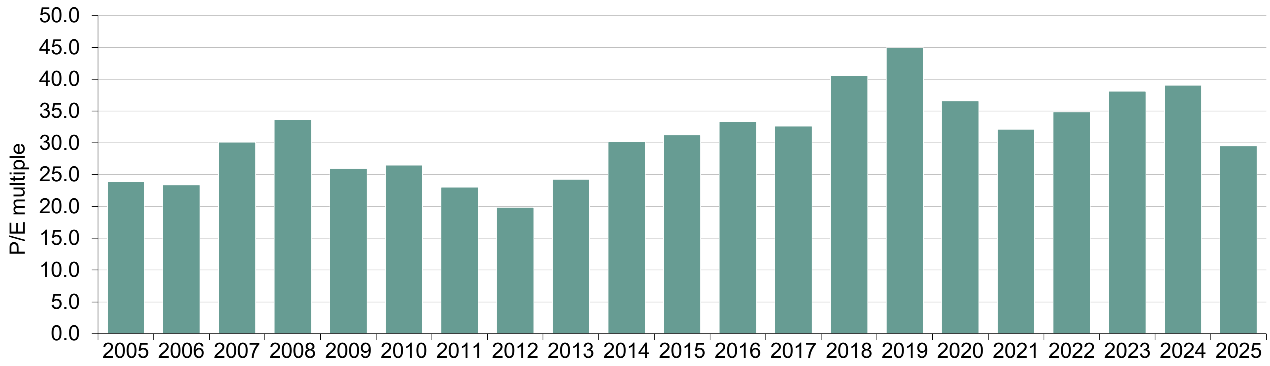
Source: Edison Investment Research.

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$155.39 could be interpreted as discounting compound annual average increases in cash flows per share of just 3.6% per year thereafter (ie less than the long-term rate of US CPI-U inflation).

Historical valuation

Excluding FY04 (part-year), WPM's shares have historically traded on an average P/E multiple of 31.1x current year basic underlying EPS, excluding impairments (cf 25.5x Edison and 22.6x LSEG Data & Analytics consensus for FY26 currently, see Exhibit 15).

Exhibit 15: WPM's average historical current year P/E multiples, 2005–25



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

Applying this 31.1x multiple to our broadly unchanged EPS forecast of US$3.36 in FY27 (cf US$3.33/share previously) implies a potential value per share for WPM of US$104.50 or C$143.42 in that year. However, it is notable that Edison's forecast metals prices in that year are only US$2,239/oz Au and US$60.00/oz Ag. At current prices, our EPS forecast of US$3.36/share in FY27 rises to US$4.82/share, in which case our corresponding valuation rises to US$150.01, or C$205.87, per share (either that or WPM's P/E would fall to 22.9x – see Exhibit 16, below). Moreover, as can be observed from the graph above, during periods of precious metal price appreciation, WPM can command current year P/E multiples that average 38.0x (eg between 2018 and 2024) and can rise as high as 45.0x (eg 2019).

Relative valuation

Relative to the multiples of its peers, WPM is maintaining its premium rating, as shown in Exhibit 16, below:

Exhibit 16: WPM comparative valuation cf a sample of royalty/streaming peers

	P/E (x)			Yield (%)			P/CF (x)		
	Yr1	Yr2	Yr3	Yr1	Yr2	Yr3	Yr1	Yr2	Yr3
Royalty companies									
Franco-Nevada	23.6	21.2	20.6	0.8	0.8	0.9	19.1	17.1	19.0
Royal Gold	18.0	14.8	14.8	1.0	1.0	1.1	12.8	11.0	10.8
OR Royalties	21.7	20.2	17.5	0.8	0.9	0.9	17.9	16.3	14.4
Average	**21.1**	**18.7**	**17.6**	**0.9**	**0.9**	**0.9**	**16.6**	**14.8**	**14.7**
WPM (Edison forecasts)	**25.5**	**32.9**	**34.4**	**0.7**	**0.7**	**1.3**	**18.3**	**22.1**	**23.1**
WPM (Edison at spot prices)	**25.5**	**22.9**	**21.3**	**0.7**	**0.7**	**1.9**	**18.3**	**16.6**	**15.6**
WPM (consensus)	**22.6**	**22.1**	**20.1**	**0.7**	**0.7**	**0.6**	**17.1**	**15.8**	**15.4**

Source: LSEG Data & Analytics, Edison Investment Research. Note: Peers and WPM (consensus) priced on 23 July 2026.

Readers will note Edison's relatively high year 2 and year 3 P/E ratios, which arises from our relatively low precious metals forecasts of US$2,239/oz Au and US$60.00/oz Ag and US$2,098/oz Au and US$55.00/oz Ag, respectively. As noted previously, if metals prices remain at current levels, our FY27 and FY28 EPS estimates rise to US$4.82/share and US$5.19/share, respectively, in which case the corresponding P/E ratios drop to 22.9x and 21.3x, which are broadly in line with multiples based on consensus estimates. In combination with the relative flatness of consensus multiples, this implies that the market is anticipating broadly flat precious metals prices over the next two and a half years.

Financials: US$2,164.5m in net cash at end Q1

As at 31 March, WPM had US$2,164.5m in cash on its balance sheet and no debt outstanding under its US$2bn revolving credit facility. Including a modest US$7.7m in lease liabilities, it therefore had US$2,156.8m in net cash after generating US$765.8m in operating cash flows and a further net US$323.4m from the sale of long-term investments and disbursing a net US$61.2m in investing activities.

Exhibit 17: WPM cash, net cash and operating cash flow, by quarter, Q420–Q126

(US$m)	Q420	Q121	Q221	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424	Q125	Q225	Q325	Q425	Q126
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	1,085.6	1,005.9	1,157.7	1,153.6	2,164.5
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	1,077.5	997.6	1,149.7	1,145.7	2,156.8
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	360.8	415.0	383.0	746.3	765.8

Source: Wheaton Precious Metals, Edison Investment Research

In Q226, we estimate that WPM will have generated c US$659m in operating cash flows, before disbursing at least c US $4.3bn in investing activities (for its BHP Antamina stream), making global minimum tax (GMT) payments of c US$120m and paying two dividends of US$89m each to leave it with c US$1,852m in net debt.

In FY26 as a whole, we estimate that WPM will generate US$2,737m from operating activities (cf US$1,905m in FY25), before consuming a net US$4,578m (cf US$1,239m in FY25) in investing activities and paying out an increased US $354m in forecast dividends (cf US$296m in FY25) under its new, progressive dividend policy. However, readers should be aware that the timing of PMPA payments is uncertain to the extent that investments may be advanced or delayed (especially relating to Marmato, El Como, Spring Valley, Koné and/or Jervois), and it is possible that WPM could register either a larger or smaller net cash position on its balance sheet than that forecast.

Exhibit 18: Financial summary

$000s	2020	2021	2022	2023	2024	2025	2026e	2027e
Year end 31 December	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	2,314,600	3,486,229	3,185,405
Cost of Sales	(266,763)	(287,947)	(267,621)	(228,171)	(235,108)	(339,063)	(520,065)	(558,291)
Gross Profit	829,461	913,718	797,432	787,874	1,049,531	1,975,537	2,966,164	2,627,114
EBITDA	763,763	852,733	735,245	719,704	976,637	1,885,530	2,889,010	2,549,959
Operating profit (before amort. and excepts.)	519,874	597,940	503,293	505,270	729,693	1,581,641	2,380,582	1,811,250
Intangible Amortisation	0	0	0	0	0	0	0	0
Exceptionals	4,469	162,806	164,214	4,593	(111,030)	98,858	728	0
Other	387	190	7,680	33,658	28,373	29,908	18,464	(8,962)
Operating Profit	524,730	760,936	675,187	543,521	647,036	1,710,407	2,399,774	1,802,289
Net Interest	(16,715)	(5,817)	(5,586)	(5,510)	(5,549)	(5,760)	(75,261)	(24,316)
Profit Before Tax (norm)	503,546	592,313	505,387	533,418	752,517	1,605,789	2,323,786	1,777,973
Profit Before Tax (FRS 3)	508,015	755,119	669,601	538,011	641,487	1,704,647	2,324,514	1,777,973
Tax	(211)	(234)	(475)	(367)	(112,347)	(232,927)	(357,477)	(254,330)
Profit After Tax (norm)	503,335	592,079	504,912	533,051	640,170	1,372,862	1,966,309	1,523,642
Profit After Tax (FRS 3)	507,804	754,885	669,126	537,644	529,140	1,471,720	1,967,037	1,523,642
Average Number of Shares Outstanding (m)	449	450	452	453	453	454	454	454
EPS - normalised (c)	112	132	112	118	141	302	433	336
EPS - normalised and fully diluted (c)	112	131	112	118	141	302	432	335
EPS - (IFRS) (c)	113	168	148	119	117	324	433	336
Dividend per share (c)	42	57	60	60	62	66	78	82
Gross Margin (%)	75.7	76.0	74.9	77.5	81.7	85.4	85.1	82.5
EBITDA Margin (%)	69.7	71.0	69.0	70.8	76.0	81.5	82.9	80.1
Operating Margin (before GW and except.) (%)	47.4	49.8	47.3	49.7	56.8	68.3	68.3	56.9
BALANCE SHEET								
Fixed Assets	5,755,441	6,046,427	6,039,813	6,463,774	6,596,377	7,921,612	11,990,780	12,062,530
Intangible Assets	5,521,632	5,940,538	5,753,111	6,169,534	6,426,674	7,444,243	11,502,243	11,573,993
Tangible Assets	33,931	44,412	30,607	47,562	70,728	66,874	63,434	63,434
Investments	199,878	61,477	256,095	246,678	98,975	410,495	425,103	425,103
Current Assets	201,831	249,724	720,093	567,411	828,080	1,204,169	28,188	66,370
Stocks	3,265	12,102	13,817	10,806	3,697	3,853	9,085	8,301
Debtors	5,883	11,577	10,187	10,078	6,217	46,723	19,103	17,454
Cash	192,683	226,045	696,089	546,527	818,166	1,153,593	0	40,615
Other	0	0	0	0	0	0	0	0
Current Liabilities	(31,169)	(29,691)	(30,717)	(26,075)	(29,504)	(154,687)	(1,201,625)	(158,897)
Creditors	(30,396)	(28,878)	(29,899)	(25,471)	(29,242)	(154,112)	(156,490)	(158,322)
Short-term borrowings	(773)	(813)	(818)	(604)	(262)	(575)	(1,045,135)	(575)
Long-term liabilities	(211,532)	(16,343)	(11,514)	(19,594)	(135,574)	(280,586)	(513,941)	(515,275)
Long-term borrowings	(197,864)	(2,060)	(1,152)	(5,625)	(4,909)	(7,330)	(3,649)	(3,649)
Other long-term liabilities	(13,668)	(14,283)	(10,362)	(13,969)	(130,665)	(273,256)	(510,292)	(511,626)
Net Assets	5,714,571	6,250,117	6,717,675	6,985,516	7,259,379	8,690,508	10,303,402	11,454,728
CASH FLOW								
Operating Cash Flow	779,156	845,832	737,821	725,548	997,762	1,874,598	2,932,240	2,545,263
Net Interest	(13,763)	(187)	6,227	33,770	23,491	35,079	(75,261)	(24,316)
Tax	49	(279)	(171)	(6,192)	8,516	(3,645)	(120,441)	(252,996)
Capex	149,648	(404,437)	(44,750)	(648,963)	(490,491)	(1,280,194)	(4,577,595)	(810,459)
Acquisitions/disposals	0	0	0	0	0	0	0	0
Financing	22,396	7,992	10,171	12,934	12,942	7,416	739	0
Dividends	(167,212)	(218,052)	(237,097)	(265,109)	(279,050)	(296,367)	(354,154)	(372,316)
Net Cash Flow	770,274	230,869	472,201	(148,012)	273,170	336,887	(2,194,472)	1,085,175
Opening net debt/(cash)	774,766	5,954	(223,172)	(694,119)	(540,298)	(812,995)	(1,145,688)	1,048,784
HP finance leases initiated	0	0	0	0	0	0	0	0
Other	(1,462)	(1,743)	(1,254)	(5,809)	(473)	(4,194)	0	0
Closing net debt/(cash)	5,954	(223,172)	(694,119)	(540,298)	(812,995)	(1,145,688)	1,048,784	(36,391)

Source: Wheaton Precious Metals, Edison Investment Research

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