

Pan American Silver

Record prices, cost discipline drive FY25 beat

Results update

Metals and mining

24 February 2026

Pan American Silver (PAAS) reported exceptionally strong FY25 and Q425 results, driven by record commodity prices, strong metal sales and lower-than-expected silver segment costs. Full-year revenues grew 28% to US \$3.62bn, while EBITDA increased 77% to US\$1.82bn, implying an impressive Q4 margin of 60%. Reflecting this robust performance and a supportive commodity price environment, we have upgraded our estimates, raising our DCF-based valuation to US\$57/share, excluding any P/NPV premium.

Year end	Revenue (\$m)	EBITDA (\$m)	EPS (\$)	DPS (\$)	EV/EBITDA (x)	Yield (%)
12/24	2,818.9	1,028.6	0.80	0.40	26.1	0.6
12/25	3,619.1	1,817.0	2.53	0.54	14.8	0.8
12/26e	4,821.0	3,047.4	3.78	0.68	8.8	1.0
12/27e	4,508.5	2,830.8	3.50	0.68	9.5	1.0

Note: EBITDA is adjusted for the Juanicipio equity contribution. EPS is normalised.

Strong FY25 and Q425 results

With FY25 revenues of US\$3.62bn (Q425: US\$1.18bn) and EBITDA of US\$1.82bn (Q425: US\$0.71bn), PAAS beat our estimates by 3% and 4%, respectively, on the back of better metal sales in Q4 and lower-than-expected silver costs. The silver segment's FY25 AISC of US\$13.9/oz was below the guidance range of US\$14.5–16.0/oz, with an impressive US\$9.5/oz in Q4, driven by by-products-heavy Cerro Moro and low-cost Juanicipio. Gold segment AISC of US\$1,621/oz was in line with our forecasts and the top end of guidance. The robust operational delivery fed through to the bottom line, with FY25 adjusted EPS increasing 222% to US\$2.54. Furthermore, strong cash generation, including US\$1.3bn in operating cash flow, boosted year-end net cash to US\$467m and supported a Q4 dividend of US\$0.18/share, bringing total shareholder distributions to US\$221m for the year.

Upgrading estimates on results, commodities

In light of the strong results and higher commodity price expectations, we have upgraded our FY26 estimates and also introduced our provisional FY27 forecasts. We now expect FY26e revenue of US\$4.82bn (+4%) and EBITDA of US\$3.05bn (+5%), implying a margin of 62%. Our updated forecasts are driven by the full-year contribution from low-cost Juanicipio, higher commodity price assumptions and a weaker US dollar. We expect another year of record cash flow generation in FY26 and anticipate higher shareholder distributions. With consensus gold and silver price expectations continuing to move upwards across the curve, we see an upside risk to our and market forecasts for both FY26 and FY27.

Valuation: Maintaining positive momentum

We have lifted our DCF valuation for PAAS from US\$51/share to US\$57/share to reflect the improved earnings outlook. Importantly, this revised valuation does not incorporate any P/NAV premium, which could be warranted given the current bullish sentiment for precious metals fuelled by macroeconomic and geopolitical uncertainty, a softening US dollar and sustained central bank purchases. Alongside the supportive commodity backdrop, the upcoming preliminary economic assessment (PEA) for the staged development of the Skarn project remains an important near-term catalyst.

Price	\$65.18
Market cap	\$27,296m
Net cash/(debt) at end FY25, including leases and ST investments	\$467.0m
Shares in issue	421.9m
Free float	100.0%
Code	PAAS
Primary exchange	TSX
Secondary exchange	NYSE

Share price performance



%	1m	3m	12m
Abs	10.4	78.0	157.9
52-week high/low		\$69.6	\$20.3

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

La Colorada Skarn PEA	Q226
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Strong commodities, lower silver costs drive outperformance

PAAS delivered a very strong set of FY25 and Q425 results on the back of record commodity prices, strong metal sales and better-than-expected silver segment costs. Full-year revenue was up 28% y-o-y to US\$3,619m (Q425: US\$1,179m, +38% q-o-q), while group EBITDA jumped 77% to US\$1,817m (Q425: US\$713m, +76%), including a US\$77m (Q425: US\$61m) contribution from Juanicipio, implying an impressive margin of 50% for FY25 and even stronger 60% for Q425.

With the production numbers reported earlier, the company beat our FY25 revenue forecast by 3% mainly due to the marginally higher realised metal prices and better-than-expected metal sales. Quarterly silver sales of 5,468koz exceeded our expectations by 4%, while gold sales of 192koz come in 6% higher. On a reported basis, the inventory draw for silver was 357koz in Q4 and 684koz in FY25. At the same time, the gold sales were in line with payable metal production in Q4, with a 20koz inventory draw for the full year.

Costs in the silver segment came in visibly below both the company's guidance and our expectations, while the gold segment costs were at the top end of the guidance range and in line with our forecasts. On an attributable basis, the FY25 silver segment all-in sustaining cost (AISC) of US\$13.9/oz compared to the updated guidance of US\$14.5–16.0/oz and our estimate of US\$14.7/oz. The segment's Q4 AISC was an impressive US\$9.5/oz, supported by the strong performance at Cerro Moro, which achieved a negative AISC of US\$35.5/oz (FY25: negative US\$14.0/oz) thanks to the strong by-product credits, and the full quarterly contribution from the low-cost Juanicipio project, which reported an attributable negative AISC of US\$2.1/oz (FY25: negative US\$3.2/oz). On the opposite side of the spectrum, both La Colorada and San Vicente saw a visible, mainly royalties-driven increase in quarterly costs due to higher commodity prices. In the gold segment, FY25 AISC of US\$1,621/oz compared to the guidance of US\$1,525–1,625/oz and our estimate of US\$1,620/oz, bringing no major surprises at the project level. Overall, the stronger-than-expected revenue and lower silver segment costs resulted in an FY25 EBITDA beat of c 4% versus our estimate.

Below the operating profit line, despite a number of relatively small non-cash one-offs, PAAS delivered a ninefold increase in FY25 reported net profit of US\$978m, with Q4 net profit jumping 167% q-o-q to US\$452m, in part due to the lower-than-expected tax expense and higher investment income. Adjusted EPS was US\$2.54 for FY25 and US\$1.11 for Q425, up 222% y-o-y and 131% q-o-q, respectively.

Finally, we once again note impressive cash flow generation, with reported net operating cash flow of US\$554m in Q4 and US\$1.3bn in FY25. As was disclosed earlier, year-end gross cash and short term investments, excluding attributable cash of US\$127m at Juanicipio, reached US\$1,319m, while net cash was US\$467m (including leases). This boost in liquidity led to a dividend declaration of US\$0.18/share (Edison: US\$0.16/share) for Q4, bringing the total FY25 dividend to US\$0.54/share. In addition, the company spent US\$15m on share repurchases in Q4, with the total capital returned to shareholders in FY25 totalling US\$221m.

Exhibit 1: Summary of FY25 and Q425 results, US\$m

	FY25a	FY25e Edison	Q425a
Attributable silver production, Moz	22.8	22.8	7.3
Attributable gold production, koz	742	742	198
Silver segment AISC, US\$/oz	13.9	14.7	9.5
Gold segment AISC, US\$/oz	1,621	1,620	1,699
Revenue	3,619	3,505	1,179
Mine EBIT	1,405	1,314	568
EBITDA excl. Juanicipio	1,740	1,657	652
EBITDA incl. Juanicipio	1,817	1,747	713
EBITDA margin, %	50.2	49.8	60.4
Net profit	978	878	452
Adjusted EPS, US\$	2.54	2.19	1.11
DPS, US\$	0.54	0.52	0.18
Cash flow from operating activities	1,333	1,296	554
Net cash, including short term investments	467	508	467

Source: PAAS, Edison Investment Research

Commodity prices, Juanicipio drive FY26 expectations

With its FY25 results, PAAS provided more detailed quarterly production and cost guidance. As is typically the case, production for both silver and gold is expected to be second half weighted. The silver segment AISC is guided to

increase in the second half, while the gold segment costs are expected to be lower as production rises through the year. According to the company, the unusual silver segment cost pattern is mainly due to Cerro Moro, which is expected to see lower production in H2 due to mine sequencing into lower-grade ore zones. Overall, the company guides FY26 silver production of 25.0–27.0Moz, with a silver segment AISC of US\$15.75–18.25/oz. Gold production is expected at 700–750koz and the gold segment AISC at US\$1,700–1,850/oz. In the silver segment, the performance will be driven by the full-year contribution from the low-cost Juanicipio project, the impact of higher commodity prices – which will have a double-sided impact of offsetting costs through higher by-product credits while increasing royalty payments, in particular at La Colorada and San Vicente – as well as forex. In the gold segment, cost performance will be largely driven by project specific dynamics, which we discussed in more detail in our last published [note](#), as well as forex and to a lesser degree commodities.

Exhibit 2: PAAS FY26 quarterly operating outlook

	Q126	Q226	Q326	Q426	FY26
Attributable silver production, Moz	6.10-6.60	6.05-6.55	6.50-7.00	6.35-6.85	25.00-27.00
Attributable gold production, koz	164.5-175.5	174.5-186.5	178.5-192.0	182.5-196.0	700.0-750.0
Silver segment AISC, US\$/oz	14.75-17.00	15.00-17.50	15.50-17.75	18.50-20.75	15.75-18.25
Gold segment AISC, US\$/koz	1,775-1,925	1,825-1,950	1,725-1,875	1,525-1,650	1,700-1,850

Source: PAAS

Following the release of the FY25 results, we have updated our FY26 forecasts and introduced our provisional FY27 estimates. Our current FY26 production expectations are towards the upper end of the guidance for silver and closer to the guided mid-range for gold. While our gold segment AISC forecast is within the range, we currently model a below-guidance silver segment AISC of US\$14.2/oz. The main reason for this is our higher, consensus-based gold price assumption of US\$4,550/oz (cf spot of US\$5,150/oz) compared to US\$4,200/oz assumed by PAAS, which has a positive effect on costs at Cerro Moro and Juanicipio. In particular, we expect the former to contribute 11% to attributable silver production at a negative AISC of US\$38/oz in FY26e, and the latter 24% at a negative US\$0.9/oz. Our cost expectations for other projects are within the provided guidance ranges, and our FY26e silver price assumption is in line with PAAS at US\$70/oz.

Overall, we have upgraded our FY26e revenue and EBITDA forecasts by 4% and 5% to US\$4,821m and US\$3,047m, respectively. Our sequentially lower FY27e estimates assume a reduction in commodity prices. However, we note that the consensus price expectations, in particular for gold, continue to move upwards across the curve, and we see an upside risk to our and market forecasts for both FY26 and FY27. Needless to say, FY26 is likely to be another year of record cash generation for the company, with the strong operating cash flow supported by higher dividends from Juanicipio, which we currently model at US\$132m on a 44% basis. An anticipated build up in cash is likely to result in higher distributions to shareholders.

With better-than-expected FY25 results and higher earnings expectations, we have upgraded our DCF-based valuation of PAAS from US\$51/share to US\$57/share. Importantly, this excludes any P/NAV premium that could be warranted by the current bullish precious metals market sentiment, which is driven by heightened geopolitical and macroeconomic uncertainty, central bank buying and a weaker US dollar. Our valuation and current share price imply a P/NPV of just 1.1x, which we believe is rather conservative given the prevailing discrepancy between spot and consensus precious metal prices. Likely upgrades to consensus commodity price expectations should continue to sustain a positive earnings and share price momentum for PAAS in the near term. In addition to commodity prices, the upcoming release of the PEA for the staged development of the Skarn project remains an important share price catalyst.

Exhibit 3: PAAS revised forecasts, US\$m

	FY26e		FY27e
	New	Old	New
Silver price, US\$/oz	70	70	60
Gold price, US\$/oz	4,550	4,500	4,300
Attributable silver production, Moz	26.5	26.1	26.4
Attributable gold production, koz	736	732	760
Silver segment AISC, US\$/oz	14.2	13.4	11.6
Gold segment AISC, US\$/oz	1,721	1,717	1,622
Revenue, US\$m	4,821	4,647	4,508
EBITDA, US\$m	3,047	2,892	2,831
Adjusted EPS, US\$	3.78	3.83	3.49

Source: Edison Investment Research

Exhibit 4: Financial summary

	\$m	2023	2024	2025	2026e	2027e
		IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue		2,316	2,819	3,619	4,821	4,508
Cash production costs		(1,479)	(1,634)	(1,604)	(1,745)	(1,682)
DD&A		(484)	(572)	(497)	(500)	(480)
Royalties		(56)	(65)	(113)	(183)	(137)
Gross Profit		297	549	1,405	2,393	2,210
G&A		(61)	(70)	(116)	(105)	(100)
Other operating costs		(97)	(42)	(46)	(50)	(16)
Operating profit (before amort. and excepts.)		196	553	1,243	2,238	2,094
EBITDA		681	1,029	1,817	3,047	2,831
Other operating expenses		3	11	(9)	0	0
Exceptionals		(104)	84	(78)	0	0
Reported operating profit		38	531	1,233	2,548	2,351
Net interest and other finance expense		(91)	(85)	(84)	(90)	(81)
Profit Before Tax (norm)		108	479	1,227	2,458	2,270
Investment income (loss)		(6)	(14)	89	0	0
Profit Before Tax (reported)		(59)	432	1,238	2,458	2,270
Reported tax		(46)	(319)	(258)	(860)	(794)
Profit After Tax (norm)		62	291	969	1,598	1,476
Profit After Tax (reported)		(105)	113	980	1,598	1,475
Minority interests		(1)	1	2	3	3
Net income (normalised)		63	290	967	1,595	1,475
Net income (reported)		(104)	112	978	1,595	1,474
Average Number of Shares Outstanding (m)		327	363	381	422	422
EPS - basic normalised (\$)		0.19	0.80	2.53	3.78	3.50
EPS - basic reported (\$)		(0.32)	0.31	2.56	3.78	3.49
EPS - adjusted company (\$)		0.12	0.79	2.54	3.78	3.49
Dividend (\$)		0.41	0.40	0.54	0.68	0.68
BALANCE SHEET						
Fixed Assets		5,823	5,482	7,546	7,715	7,810
Tangible assets		5,675	5,325	5,338	5,329	5,167
Investments		0	0	0	0	0
Other, including investment in Juancipio		148	157	2,208	2,386	2,643
Current Assets		1,390	1,720	2,196	3,687	4,873
Inventories		712	606	588	598	636
Receivables		138	165	232	251	241
Cash		400	863	1,215	2,677	3,835
ST investments		41	25	104	104	104
Other		99	62	57	57	57
Current Liabilities		(624)	(687)	(817)	(832)	(849)
Creditors		(498)	(489)	(549)	(564)	(581)
Short term borrowings and leases		(52)	(47)	(58)	(58)	(58)
Other		(74)	(150)	(210)	(210)	(210)
Long Term Liabilities		(1,816)	(1,799)	(1,924)	(2,220)	(2,253)
LT debt and leases		(749)	(756)	(794)	(794)	(794)
Other long term liabilities		(1,067)	(1,043)	(1,130)	(1,426)	(1,459)
Net Assets		4,772	4,717	7,001	8,350	9,561
Minority interests		(12)	(13)	(4)	(7)	(10)
Shareholders' equity		4,761	4,704	6,997	8,343	9,572
CASH FLOW						
Profit after tax		(105)	113	980	1,598	1,475
D&A, exceptionals, other		664	926	709	1,140	1,098
Working capital movement		69	(128)	(29)	(13)	(12)
Tax		(149)	(164)	(318)	(600)	(794)
Net Interest		(28)	(23)	(9)	(19)	(7)
Net operating cash flow		450	724	1,333	2,105	1,760
Capex		(379)	(323)	(314)	(488)	(315)
Acquisitions/disposals		759	310	41	0	0
Equity financing		0	0	0	0	0
Dividends		(130)	(145)	(175)	(287)	(287)
Other		(15)	(77)	(435)	132	0
Net Cash Flow		685	489	450	1,463	1,158
Opening net debt/(cash), including ST investments		85	361	(84)	(467)	(1,929)
FX and other		(961)	(44)	(67)	0	0
Closing net debt/(cash)		361	(84)	(467)	(1,929)	(3,087)
Closing net debt/(cash), excluding ST investments		402	(59)	(363)	(1,825)	(2,983)

Source: PAAS, Edison Investment Research

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