Agnico Eagle Mines

Converting promises to cash

At its capital markets day on 18 November, Agnico (AEM) presented its next wave of project optimisation and expansion/extension plans within the context of its corporate philosophy of regional competitive advantage, systematic rigour, continuous iteration and focus on production per share. Detailed production guidance has been provided to the market until FY28. The first phase of production growth involves the evolution and development of four specific projects – Canadian Malartic's Odyssey underground mine, the expansion of the underground mine at Detour, Hope Bay and the construction of a new mine at Upper Beaver. As is typical at Agnico, this wave is being built on value added via the drill bit and, in particular, its success in delineating c 50Moz of additional resources at Canadian Malartic and Detour since their acquisitions in 2014 and 2020, respectively. AEM has four regional teams that will deploy best practice to implement growth across multiple projects. Where possible, known technology and operating systems will be reproduced at the new developments (such as the replication of the Macassa 4 shaft at Odyssey, the Meliadine plant at Upper Beaver and the Meliadine multi-service building at Hope Bay) and fully one-third of the personnel that Agnico estimates it will require from 2030 (3,500 out of 10,000 people) have been employed. Together, these four projects are expected to sustainably anchor production at over 4.0Moz pa before 2035.

Once the first phase of growth is emplaced, a second wave will be introduced from approximately 2033, comprising its Hammond Reef, Fosterville, San Nicolas (a world-class copper-zinc 50:50 joint venture with Teck) and Ikkari assets. At a slightly earlier phase of development, conceptually, these four assets have the potential to add c 600–700koz to Agnico's production profile, plus base metals and, perhaps, platinum group metals as well. Thereafter, AEM has at least four further asset optimisations and expansions/extensions open to it. These include the Canadian Malartic mill ramp-up (encompassing the Odyssey 2 shaft and the Marban and Wasamac satellite pits, such that Canadian Malartic produces c 1Moz Au pa), an expanded and optimised underground operation at Detour Lake (to take production beyond 1Moz pa) and a mine life extension at Meadowbank beyond 2030 via a pushback at the Whale Tail pit concurrent with an expansion of the Amaruq underground mine and potentially the development of an underground mine at Goose. With US$3.3bn in net cash on its balance sheet as at end-Q326 and likely to generate in excess of US$6.0bn in cash flow from operating activities in FY27 (at a gold price of US$3,700/oz), Agnico should be more than capable of meeting the capital requirements associated with its plans. In the near term, with the gold price falling to c US$3,700/oz, we would suggest that adjusted net income per share is likely to amount to c US$10.95/share. Paying a dividend of US$0.45 per quarter, the full-year distribution should be US$1.80/share.

Consensus estimates

Year end	Revenue ($m)	PBT ($m)	EPS ($)	DPS ($)	P/E (x)	Yield (%)
12/25	11,908.0	6,225.0	7.93	1.60	20.0	1.0
12/26e	15,884.0	10,628.0	12.79	1.79	12.4	1.1
12/27e	16,333.0	11,743.0	13.14	1.80	12.0	1.1

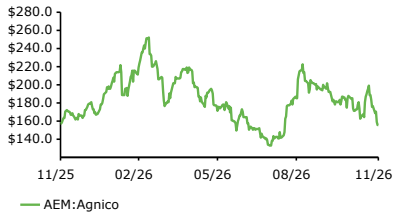
Source: LSEG Data & Analytics. Note: Historical PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items.

Metals and mining

20 November 2026

Price	**$158.24**
Market cap	**$80,054m**

Share price performance



Share details

Code	AEM:Agnico
Listing	TSX
Shares in issue	505.9m
Net cash as at end-June (including lease liabilities)	$3,143.6m

Business description

Founded in 1957, Agnico Eagle Mines is the third-largest gold producer in the world, with operations in Canada, Australia, Finland and Mexico and development assets in the US. Globally, it is recognised for its leading ESG practices and it has paid a cash dividend every year since 1983.

Bull points

- Peerless track record.
- Operations concentrated in low-risk jurisdictions.
- Locally hegemonic status aligns with evolving regional hub business plan.

Bear points

- Arctic weather conditions.
- Currency and fuel hedging contracts.
- Low costs reduce gold price gearing.

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