

New Gold Inc.

A “show-me” story, wait-and-see: all about execution from here

Reiterate Rating: UNDERPERFORM | PO: 1.90 CAD | Price: 1.68 CAD

A clear path, but execution risks remain

New Gold (NGD) [reported its inaugural 2024-2026 guidance](#) and hosted a technical session on the 3-year outlook. We viewed guidance as relatively mixed versus expectations, but directionally positive, as it shows a path to higher production, lower costs, and lower capex, all ultimately leading to free cash flow generation. We certainly see a clear inflection point for the company from a free cash flow perspective, though the outlook reaffirmed that this is still far out (in 2025). Also, despite NGD’s improving operational track record (as seen over the course of 2023), we still think the execution risks for the company remain elevated to deliver on the outlook provided, particularly given both of NGD’s assets are in ramp-up mode. On the back of the update (which we viewed as a de-risking event), we raise our price objective (PO) to \$1.40 (C\$1.90) from \$1.30 (C\$1.80) on a higher NAV multiple of 0.65x (from 0.60x). Reiterate Underperform.

The inflection point (on FCF) is 2025

We update our model and largely align with the 3-year outlook. Following model updates, our 2024E/2025E EPS decrease to \$0.07/0.10 from \$0.12/\$0.20. We estimate negative free cash flow (FCF) in 2024, though see NGD generating \$194mn of FCF in 2025 (at \$1,975/oz gold) for an 18% FCF yield, and further growing to \$383mn in 2026 (at \$2,098/oz gold) for a yield of 45%. The FCF yields in 2025/2026 are elevated, and guidance is encouraging, though as noted above, NGD still very much remains a “show-me” story and execution risks remain fairly elevated.

What next? Execution, OTPP clarity

Based on our conversations with investors, we think that the focus with NGD remains on executing at both New Afton and Rainy River: we think the outlook provides solid goal-posts for the company, but only time will tell if the outlook is achievable. Beyond this, we think of interest to investors remains the deal with Ontario Teachers’ Pension Plan (OTPP) and whether NGD will find the “means” to repurchase OTPP’s 46% interest. We value the 46% stake in New Afton at \$466mn. NGD is balance-sheet constrained, (YE23 net debt of \$243mn) though we could certainly envision a partial stake purchase, or another party getting involved, particularly given NGD’s “confidence” in the longer-term outlook at the asset ([see our site visit note, 12-Oct-23](#)).

Estimates (Dec) (US\$)	2021A	2022A	2023E	2024E	2025E
EPS	0.21	(0.10)	(0.02)	0.07	0.10
EPS Change (YoY)	NM	NM	80.0%	NM	42.9%
Consensus EPS (Bloomberg)			0.08	0.14	0.25
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	6.3x	NM	NM	17.8x	12.5x
EV / EBITDA*	5.4x	9.8x	5.8x	6.2x	4.1x
Free Cash Flow Yield*	8.3%	-11.5%	-0.8%	-4.4%	22.7%

* For full definitions of *IQmethod*SM measures, see page 8.

09 February 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	C\$1.80	C\$1.90
2024E EPS	0.12	0.07
2025E EPS	0.20	0.10

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Stock Data

Price (TOR / NYS)	1.68 CAD / 1.24 USD
Price Objective	1.90 CAD / 1.40 USD
Date Established	9-Feb-2024 / 9-Feb-2024
Investment Opinion	C-3-9 / C-3-9
52-Week Range	1.13 CAD - 2.12 CAD
Market Value (mn)	1,154 CAD
Free Float	92.1%
Average Daily Value	2.50 USD
Shares Outstanding (mn)	687.0 / 687.0
BofA Ticker / Exchange	YNGD / TOR
BofA Ticker / Exchange	NGD / NYS
Bloomberg / Reuters	NGD CN / NGD.TO
ROE (2023E)	-1.7%
Net Dbt to Eqty (Dec-2022A)	20.2%

ESGMeter™ Medium

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to ["BofA ESGMeter Methodology"](#).

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Refer to important disclosures on page 9 to 12. Analyst Certification on page 7. Price Objective Basis/Risk on page 7.

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Timestamp: 09 February 2024 12:18AM EST

iQprofileSM New Gold Inc.

iQmethodSM – Bus Performance*

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Return on Capital Employed	5.5%	-0.6%	2.3%	3.3%	4.1%
Return on Equity	16.1%	-7.0%	-1.7%	4.9%	6.8%
Operating Margin	18.7%	-1.8%	12.6%	12.2%	12.7%
Free Cash Flow	76	(102)	(7)	(38)	194

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Cash Realization Ratio	2.3x	NM	NM	6.0x	5.9x
Asset Replacement Ratio	1.3x	1.5x	1.4x	1.6x	0.7x
Tax Rate	12.3%	2.1%	5,153.6%	27.0%	35.0%
Net Debt-to-Equity Ratio	1.0%	20.2%	26.6%	32.6%	14.4%
Interest Cover	3.9x	-0.6x	5.1x	3.0x	4.5x

Income Statement Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Sales	746	604	784	839	1,050
% Change	15.9%	-18.9%	29.7%	7.1%	25.1%
Gross Profit	368	222	347	331	467
% Change	21.3%	-39.8%	56.3%	-4.6%	41.2%
EBITDA	333	184	309	289	438
% Change	21.3%	-44.6%	67.6%	-6.6%	51.7%
Net Interest & Other Income	23	(50)	(96)	(32)	(30)
Net Income (Adjusted)	141	(67)	(16)	46	68
% Change	NM	NM	76.5%	NM	48.4%

Free Cash Flow Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Net Income from Cont Operations (GAAP)	141	64	(16)	46	68
Depreciation & Amortization	197	196	214	195	305
Change in Working Capital	1	9	(12)	0	0
Deferred Taxation Charge	18	0	0	0	0
Other Adjustments, Net	(33)	(78)	105	32	30
Capital Expenditure	(247)	(293)	(298)	(310)	(208)
Free Cash Flow	76	-102	-7	-38	194
% Change	619.8%	NM	93.2%	-445.8%	NM
Share / Issue Repurchase	0	1	2	0	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	0	(102)	0	0	(27)

Balance Sheet Data (Dec)

(US\$ Millions)	2021A	2022A	2023E	2024E	2025E
Cash & Equivalents	481	201	153	83	221
Trade Receivables	26	14	13	13	13
Other Current Assets	178	163	157	157	157
Property, Plant & Equipment	NA	NA	NA	NA	NA
Other Non-Current Assets	1,791	1,866	1,959	2,074	1,977
Total Assets	2,477	2,244	2,282	2,327	2,368
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	173	171	214	214	214
Long-Term Debt	491	395	396	396	369
Other Non-Current Liabilities	857	718	759	759	759
Total Liabilities	1,521	1,284	1,369	1,369	1,342
Total Equity	956	960	913	958	1,026
Total Equity & Liabilities	2,477	2,244	2,282	2,327	2,368

* For full definitions of iQmethodSM measures, see page 8.

Company Sector

Gold & Precious Metals

Company Description

New Gold is a Canadian-based intermediate mining and development company with a focus on the production and sale of gold, copper, and silver in lower sovereign risk regions.

Investment Rationale

New Gold is focused on optimizing its portfolio of operating mines while advancing underground development of its Rainy River. However, we rate New Gold shares as Underperform on concerns around liquidity, permitting, execution and valuation, particularly in the short term.

Key Drivers

	2023E	2024E	2025E
Gold price (US\$/oz)	1,943	1,975	2,098
Gold Production (Koz)	319	326	326
TCC (US\$/oz)	797	810	736
AISC (US\$/oz)	1,538	1,594	1,014

Stock Data

Average Daily Volume	1,993,253
Shares / Common - Dual Listed	1.00

Quarterly Earnings Estimates

	2022	2023
Q1	-0.01A	-0.05A
Q2	-0.06A	0A
Q3	-0.01A	0A
Q4	-0.02A	0.03E

Key Changes

(US\$)	Previous	Current
Price Obj.	1.30	1.40
2024E EPS	0.12	0.07
2025E EPS	0.20	0.10

2024-2026 Guidance Review

Exhibit 1: NGD 2024 Guidance Relative to BofAe and Consensus

Overall, 2024 guidance was mostly mixed: gold production lower-than-expected, costs better-than-expected, and capex modestly higher vs BofAe, though significantly higher than consensus expectations.

		BofAe VA Cons. BB Cons.			Δ% vs.		
	2024 Guidance	2024E	2024E	2024E	BofAe	VA	BB
Production guidance - gold							
New Afton	60 - 70	55	58	66	19%	12%	-1%
Rainy River	250 - 280	317	294	285	-16%	-10%	-7%
Total	310 - 350	372	352	346	-11%	-6%	-5%
Production guidance - copper							
New Afton	50 - 60	54	50	50	2%	11%	11%
All-in sustaining costs							
New Afton	895 - 995	1,062	1117	N/A	-11%	-15%	
Rainy River	1,425 - 1,525	1,542	1347	N/A	-4%	9%	
Consolidated all-in sustaining costs (AISC)	1,240 - 1,340	1,536	1347	1370	-16%	-4%	-6%
Capital expenditures							
Sustaining	115 - 130	155	134	N/A	-21%	-8%	
Growth	175 - 200	142	120	N/A	32%	56%	
Total capex	290 - 330	297	254	248	5%	22%	25%

Source: BofA Global Research estimates, Company Reports, Bloomberg, Visible Alpha

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Exhibit 2: NGD 2025-2026 Guidance Relative to BofAe and Consensus

Similar to 2024, 2025-2026 guidance was also mixed relative to BofAe and consensus expectations.

			BofA Estimates		VA Cons		Bloomberg Cons		Δ% vs. BofAe		Δ% vs. VA		Δ% vs. Bloomberg	
	2025 Guidance	2026 Guidance	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Production guidance - gold														
New Afton	65 - 75	95 - 105	98	129	81	108	91	120	-29%	-46%	-14%	-8%	-23%	-16%
Rainy River	295 - 335	315 - 355	329	332	321	326	310	318	-4%	-5%	-2%	3%	2%	5%
Total	360 - 410	410 - 460	427	460	402	434	391	426	-10%	-16%	-4%	0%	-1%	2%
Production guidance - copper														
New Afton	51 - 61	71 - 81	59	78	61	76	70	97	-6%	-28%	-9%	0%	-20%	-21%
All-in sustaining costs														
New Afton	775 - 875	550 - 650	944	740	1,117	909	N/A	N/A	-13%	11%	-26%	-34%		
Rainy River	1,425 - 1,525	1,150 - 1,250	1,502	1,389	1,252	1,055	N/A	N/A	-2%	6%	18%	14%		
Consolidated all-in sustaining costs	975 - 1,075	650 - 750	868	705	1,252	667	1178	959	18%	45%	-18%	5%	-13%	-27%
Capital expenditures														
Sustaining	75 - 90	55 - 70	109	81	130	108	N/A	N/A	-24%	2%	-36%	-42%		
Growth	115 - 130	30 - 35	22	10	27	10	N/A	N/A	449%	1125%	355%	225%		
Total capex	190 - 220	85 - 105	131	91	157	118	153	110	56%	125%	31%	-19%	34%	-14%

Source: BofA Global Research estimates, Company Reports, Bloomberg, Visible Alpha

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Valuation comparables

Exhibit 3: North American Precious Metals Valuations

NGD continues to trade relatively in-expensively versus peers.

Priced as of 08-Feb-2024			MC	ND	EV	P/CFPS (x)			EV/EBITDA			FCF yield			ND / EBITDA			Div. yield
	BofA Sym	Share Price	(\$mn)	(\$mn)	(\$mn)	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	P/NAV	2023E	2024E	2023E
Senior Gold Producers ⁽¹⁾																		
	AEM	47.17	23,479	1,752	25,232	8.7	8.2	7.0	5.3	7.3	6.1	4%	4%	6%	1.28	0.3	0.3	3.4%
	GOLD	14.82	26,018	514	35,210	6.3	6.0	4.9	7.0	5.5	4.4	1%	3%	9%	0.75	0.2	0.2	2.7%
	KGC	5.32	6,532	1,975	8,612	4.4	4.4	3.8	4.7	4.8	4.2	6%	5%	9%	1.01	1.0	1.0	2.3%
	NEM	33.34	38,424	2,852	41,462	10.2	8.2	6.1	12.7	7.1	5.1	1%	3%	7%	0.88	1.2	0.9	4.8%
Market Cap Weighted Average						8.3	7.3	5.8	8.6	6.5	5.0	2%	3%	7%	0.95	0.7	0.6	3.7%
Mid-Tier Gold Producers																		
	BTG	2.66	3,464	(238)	3,336	4.2	6.2	3.2	3.6	4.7	2.5	2%	-11%	18%	0.82	(0.3)	(0.3)	6.0%
	YCG	6.87	1,100	(492)	608	7.9	5.1	4.9	2.5	1.9	1.9	24%	11%	21%	0.49	(2.5)	(2.0)	4.1%
	EGO	12.16	2,489	138	2,623	7.0	7.2	6.9	6.3	5.7	5.5	-2%	-10%	-1%	0.85	0.3	0.9	0.0%
	YEDV	22.03	4,056	485	4,886	8.8	4.8	3.9	5.6	3.6	2.8	-3%	12%	25%	0.62	0.6	0.1	4.9%
	IAG	2.46	1,184	417	1,657	3.3	4.8	2.3	6.5	5.4	2.3	-46%	-16%	23%	0.50	1.93	2.3	0.0%
	SSRM	9.41	1,910	(135)	2,752	4.3	6.0	4.8	5.5	7.5	6.2	2%	2%	4%	0.75	(0.5)	(0.6)	3.0%
Market Cap Weighted Average						6.2	5.7	4.3	5.2	5.0	3.7	-2%	-1%	15%	0.71	0.3	0.3	3.7%
Intermediate/Jr Gold Producers																		
	AGI	12.10	4,803	(230)	4,573	9.3	10.8	8.2	8.9	8.3	7.4	3%	1%	5%	1.19	(0.4)	(0.4)	0.8%
	NGD	1.24	852	213	1,065	2.9	3.1	2.1	3.4	3.7	2.4	-1%	-4%	18%	0.57	0.8	1.1	0.0%
Market Cap Weighted Average						8.3	9.6	7.3	7.8	7.4	6.4	2%	0%	7%	1.10	(0.3)	(0.2)	0.6%
Royalty Companies																		
	FNV	108.50	20,845	(1,297)	19,548	22.0	22.1	17.6	18.9	18.5	14.3	5%	5%	6%	1.95	(1.4)	(2.0)	1.3%
	RGLD	112.12	7,365	218	7,596	18.5	14.5	13.1	16.6	13.2	12.1	5%	7%	7%	1.87	0.3	(0.4)	1.3%
	YTFPM	17.17	2,569	39	2,608	16.7	13.6	12.5	22.5	12.9	11.7	3%	4%	5%	1.34	0.2	(0.4)	1.2%
	WPM	45.90	20,796	(828)	19,968	28.4	21.3	18.9	27.9	20.5	18.1	3%	5%	6%	2.01	(1.3)	(1.0)	1.3%
Market Cap Weighted Average						23.8	20.3	17.2	22.3	18.2	15.4	4%	5%	6%	1.94	(1.0)	(1.3)	1.3%
Primary Silver Producers																		
	PAAS	13.12	4,784	726	5,510	8.9	9.7	6.0	9.3	10.2	5.6	1%	0%	5%	0.91	0.7	1.0	3.0%
Market Cap Weighted Average						8.9	9.7	6.0	9.3	10.2	5.6	1%	0%	5%	0.91	0.7	1.0	3.0%

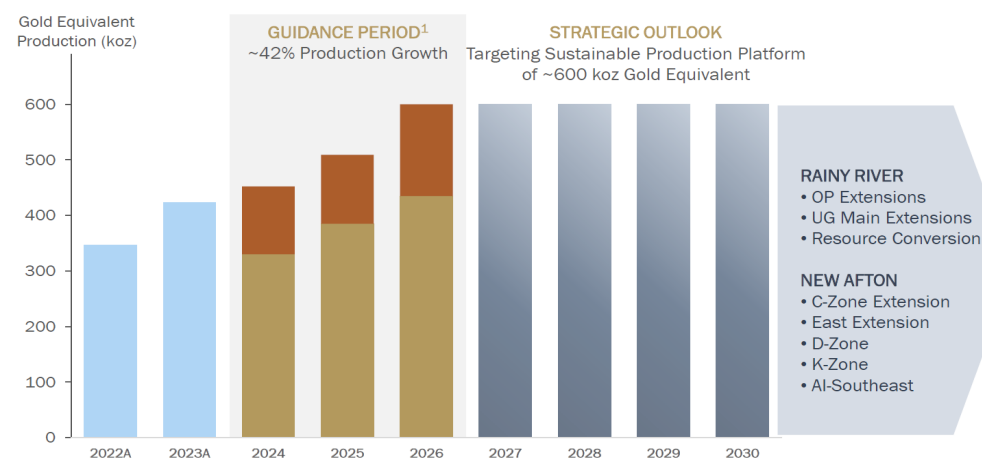
Source: BofA Global Research, Bloomberg. Notes: 1. Share price in USD, 2. Share price in CAD, 3. Share price in GBP

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Intriguing slides from the technical session

Exhibit 4: NGD Guidance and Strategic Outlook

Guidance shows a path to 42% production growth. Longer-term, NGD is targeting production of ~600 thousand gold equivalent ounces.



Source: Company Reports

GROWTH
35% increase in gold production & 60% increase in copper production over the next three years¹

PROFITABILITY
52% reduction in AISC² & 80% reduction in growth capital² over the next three years¹, driving increasing margins and cash flow

SUSTAINABILITY
Targeting strategic production platform of 600,000 gold equivalent ounces per year with line-of-sight until at least 2030

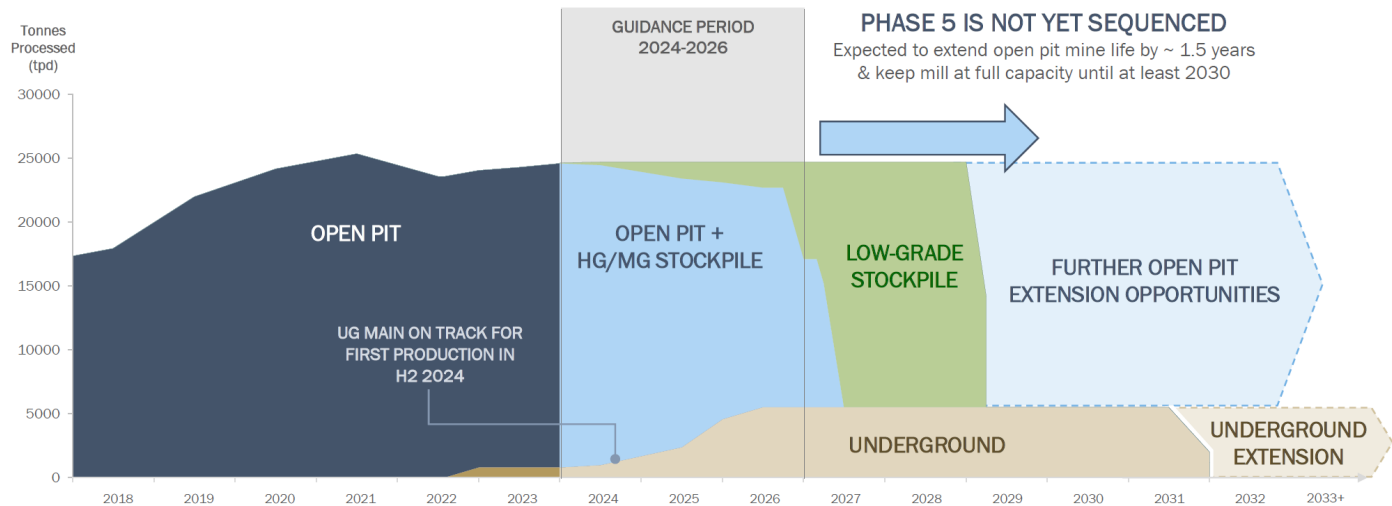
LONGEVITY
Pipeline of opportunities and exploration upside to extend mine lives well into the next decade with modest capital investment

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Exhibit 5: Upside at Rainy River Mine

Phase 5 at Rainy River is not yet built into the mine plan, and offers opportunity for a 1.5 year mine life extension as per NGD.

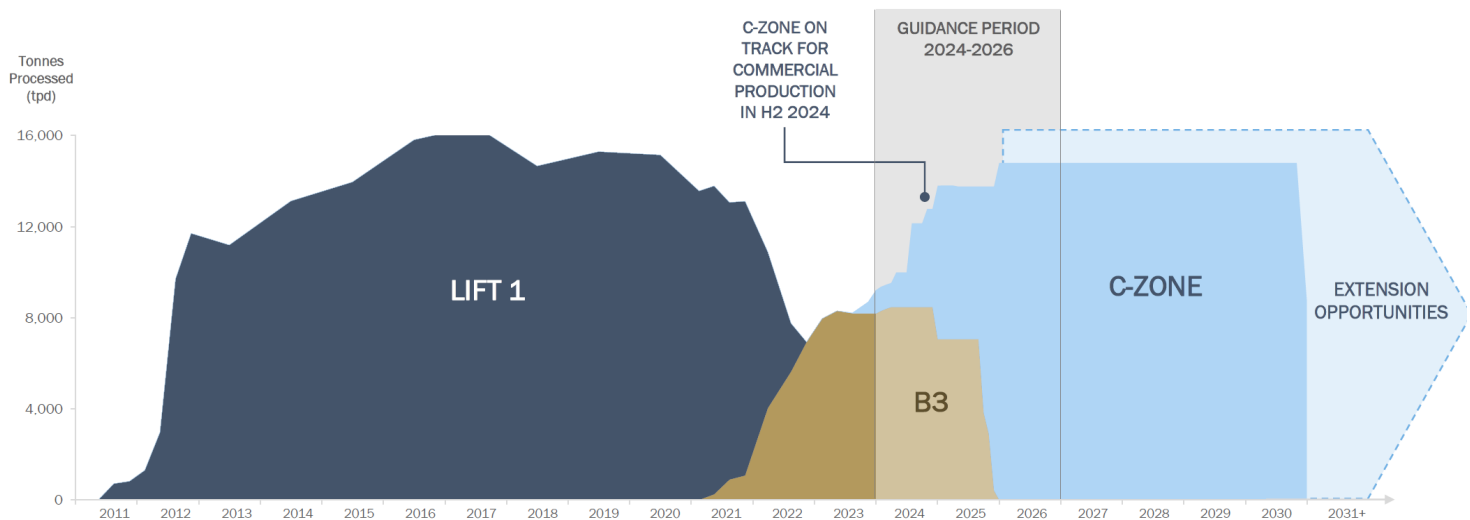


Source: Company Reports

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Exhibit 6: New Afton C-Zone Ramp-Up

The C-Zone ramp-up at New Afton is ongoing, with commercial production in H2'24. At the technical session, NGD highlighted that there is upside at the mill beyond the envisioned throughput rates of ~12,500tpd (to >14,000 tpd). Exploration success will help materialize this.

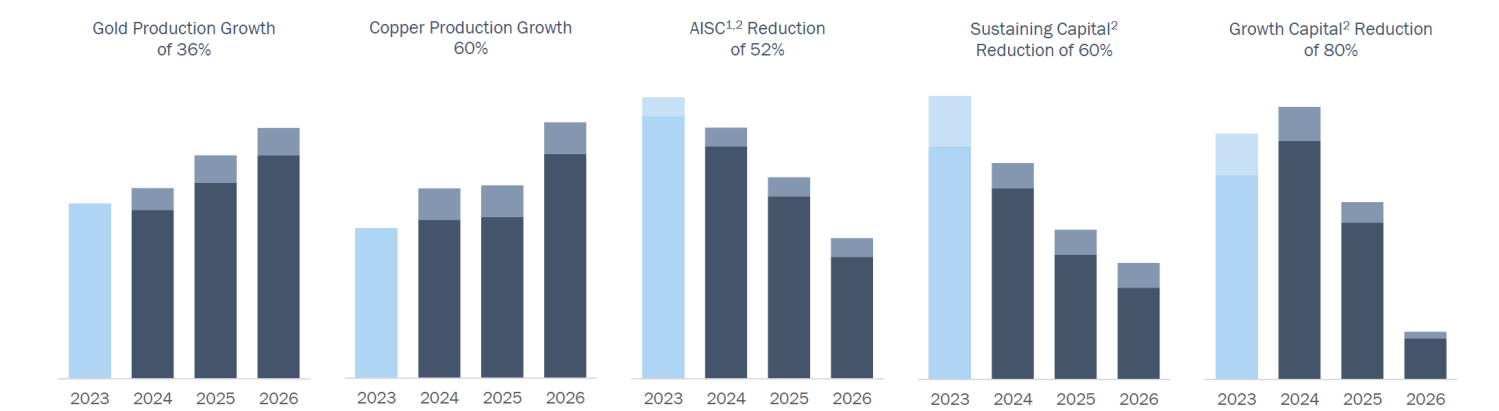


Source: Company Reports

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Exhibit 7: NGD Operational Goalposts

A significant increase in gold and copper production is targeted, alongside a significant reduction in costs and capex. Ultimately, from here, it all hinges on NGD’s execution.



Source: Company Reports

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Price objective basis & risk

New Gold Inc. (YNGD / NGD)

Our price objective for New Gold of US\$1.40/C\$1.90 per share is based on the shares trading at 0.65x its estimated net asset value (NAV) appropriately reflecting our outlook for the company relative to its peers, in our view. Historically, North American precious metal stocks have traded between 0.75x and 3.0x NAV, with a median of 1.50 times in the past three years (and 2.00 times longer term), with unhedged, growth-oriented producers occupying the upper end of the range, and companies with operating and/or financial issues at the lower end. Upside risks to our price objective are better-than-expected co-product basis cost control, and higher than expected commodity prices. Downside risks are operations get worse than expected, NGD has issues refinancing its debt, gold and copper prices go down.

Analyst Certification

I, Harmen Puri, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

North America - Metals and Mining Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Agnico Eagle Mines	AEM	AEM US	Lawson Winder, CFA
	B2Gold Corp	YBTO	BTO CN	Harmen Puri
	B2Gold Corp	BTG	BTG US	Harmen Puri
	Barrick Gold	GOLD	GOLD US	Lawson Winder, CFA
	Cameco Corporation	YCCO	CCO CN	Lawson Winder, CFA
	Cameco Corporation	CCJ	CCJ US	Lawson Winder, CFA
	Commercial Metals	CMC	CMC US	Lawson Winder, CFA
	Endeavour Mining	YEDV	EDV CN	Harmen Puri
	Endeavour Mining	EDVMF	EDVMF US	Harmen Puri
	Endeavour Mining PLC	XEDVF	EDV LN	Harmen Puri
	Franco-Nevada	YFNV	FNV CN	Lawson Winder, CFA
	Franco-Nevada	FNV	FNV US	Lawson Winder, CFA
	IAMGOLD	YIMG	IMG CN	Lawson Winder, CFA
	IAMGOLD Corp.	IAG	IAG US	Lawson Winder, CFA
	Ivanhoe Mines	YIVN	IVN CN	Lawson Winder, CFA
	Ivanhoe Mines	IVPAF	IVPAF US	Lawson Winder, CFA
	Lundin Mining	XLPRF	LUMI SS	Lawson Winder, CFA
	Lundin Mining Corp	YLUN	LUN CN	Lawson Winder, CFA
	Lundin Mining Corp	LUNMF	LUNMF US	Lawson Winder, CFA
	MP Materials	MP	MP US	Lawson Winder, CFA
	Newmont Corporation	NEM	NEM US	Lawson Winder, CFA
	Newmont Corporation	XNCRF	NEM AU	Lawson Winder, CFA
	Nucor	NUE	NUE US	Lawson Winder, CFA
	Pan American Silver	PAAS	PAAS US	Lawson Winder, CFA
	Teck Resources	YTECK	TECK/B CN	Lawson Winder, CFA
	Teck Resources Ltd	TECK	TECK US	Lawson Winder, CFA
	Triple Flag Precious Metals Corp.	YTFPM	TFPM CN	Lawson Winder, CFA
	Triple Flag Precious Metals Corp.	TFPM	TFPM US	Lawson Winder, CFA
	Wheaton Precious Metals	WPM	WPM US	Lawson Winder, CFA
NEUTRAL				
	Alamos Gold	YAGI	AGI CN	Harmen Puri
	Alamos Gold	AGI	AGI US	Harmen Puri
	Alcoa Corporation	AA	AA US	Lawson Winder, CFA
	Cleveland-Cliffs	CLF	CLF US	Lawson Winder, CFA
	First Quantum	FQVLF	FQVLF US	Lawson Winder, CFA
	First Quantum Minerals	YFM	FM CN	Lawson Winder, CFA
	Freeport-McMoRan	FCX	FCX US	Lawson Winder, CFA
	Hudbay Minerals	YHBM	HBM CN	Lawson Winder, CFA



North America - Metals and Mining Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	HudBay Minerals	HBM	HBM US	Lawson Winder, CFA
	Reliance Steel & Aluminum	RS	RS US	Lawson Winder, CFA
	Steel Dynamics	STLD	STLD US	Lawson Winder, CFA

UNDERPERFORM

	Centerra Gold	YCG	CG CN	Lawson Winder, CFA
	Centerra Gold	CGAU	CGAU US	Lawson Winder, CFA
	Eldorado Gold	EGO	EGO US	Harmen Puri
	Eldorado Gold	YELD	ELD CN	Harmen Puri
	Kinross Gold	KGC	KGC US	Lawson Winder, CFA
	New Gold Inc.	YNGD	NGD CN	Harmen Puri
	New Gold Inc.	NGD	NGD US	Harmen Puri
	Nexa Resources	NEXA	NEXA US	Lawson Winder, CFA
	Royal Gold	RGLD	RGLD US	Lawson Winder, CFA
	SSR Mining Inc.	SSRM	SSRM US	Lawson Winder, CFA
	SSR Mining Inc.	YSSRM	SSRM CN	Lawson Winder, CFA

iQmethodSM Measures Definitions

Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

iQmethodSM is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

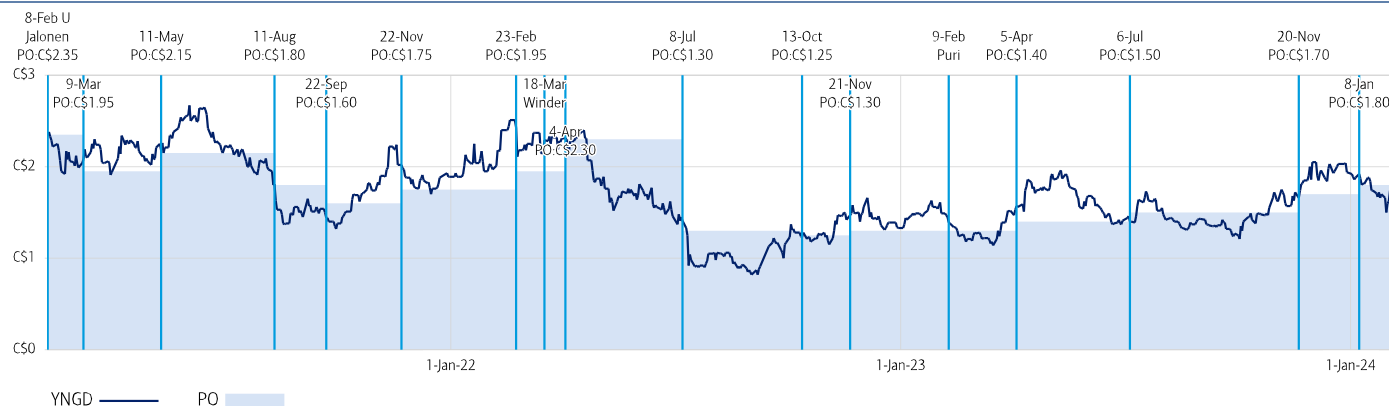
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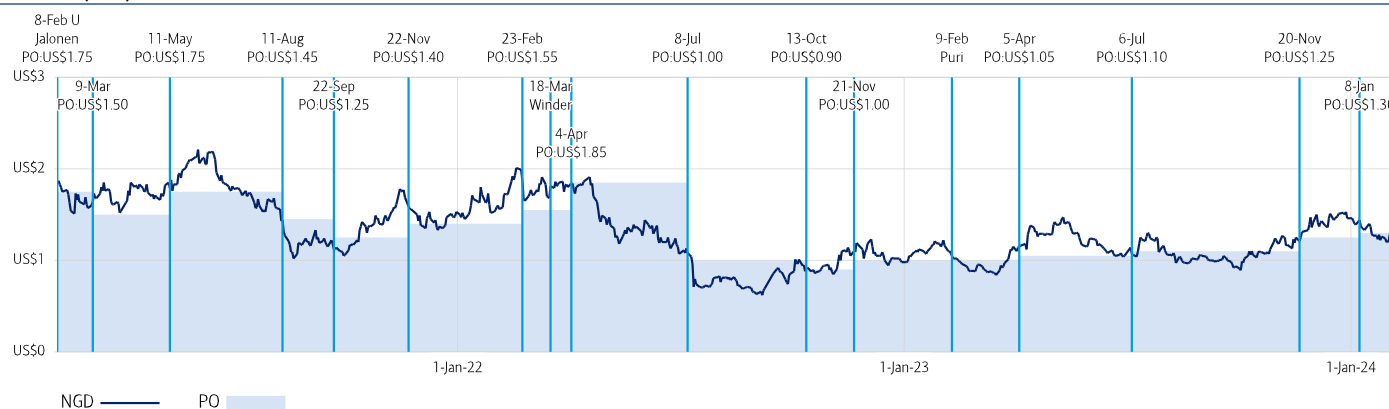
New Gold Inc. (YNGD) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

New Gold Inc. (NGD) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Equity Investment Rating Distribution: Non-Ferrous Metals/Mining & Minerals Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	58	53.70%	Buy	26	44.83%
Hold	24	22.22%	Hold	10	41.67%
Sell	26	24.07%	Sell	13	50.00%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.



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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2}Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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