

## Royal Gold, Inc. (RGLD)

**\$176.73** (Stock Price as of 05/22/2025)

Price Target (6-12 Months): **\$203.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Outperform**

(Since: 05/19/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**1-Strong Buy**

Zacks Style Scores:

VGM:D

Value: F

Growth: B

Momentum: D

## Summary

Royal Gold has been benefiting from its solid streaming agreements. It maintains a strong balance sheet, which is likely to drive growth in the upcoming quarters. It is focused on allocating its strong cash flow to dividends, debt reduction and new businesses. Gold prices are currently at around \$3,300 per ounce as U.S. tariff policies continue to drive safe-haven demand. Silver has also gained on the back of the recent expansion seen in the U.S. manufacturing sector. This rise in metal prices will boost the company's results in the coming quarters. Even though the company is facing higher interest costs, it will be offset by the tailwinds. Reduced production from Cortez Legacy Zone. At Xavantina will be negated by the gains from its streaming agreements. Unsurprisingly, the earnings estimates have lately moved north.

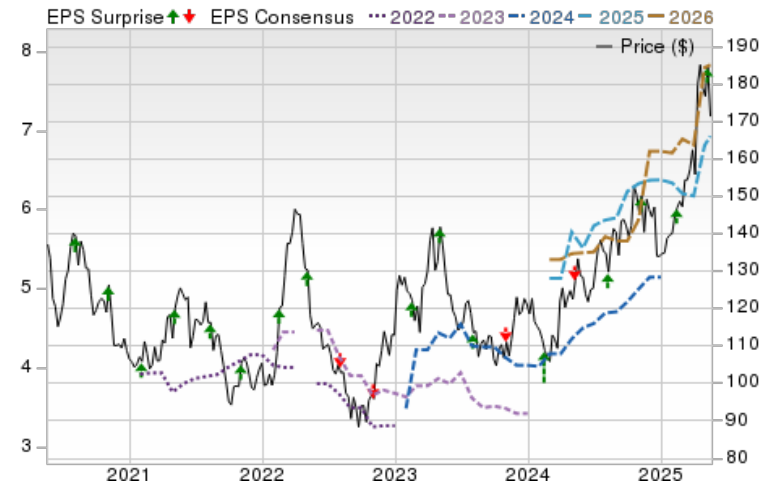
## Data Overview

52 Week High-Low	\$191.78 - \$119.72
20 Day Average Volume (sh)	533,083
Market Cap	\$11.6 B
YTD Price Change	34.0%
Beta	0.48
Dividend / Div Yld	\$1.80 / 1.0%
Industry	Mining - Gold
Zacks Industry Rank	Top 5% (13 out of 245)

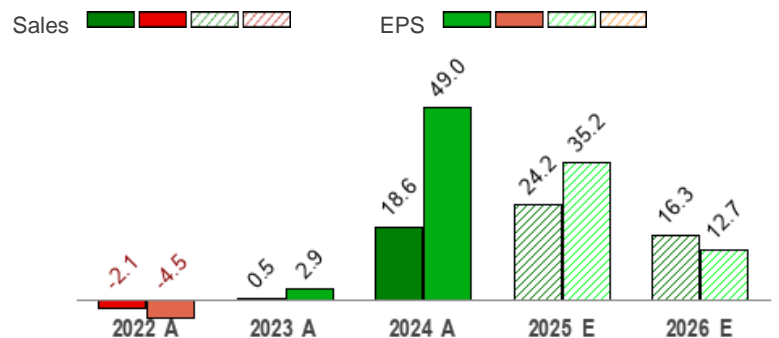
Last EPS Surprise	10.2%
Last Sales Surprise	NA
EPS F1 Est- 4 week change	4.5%
Expected Report Date	08/06/2025
Earnings ESP	0.0%

P/E TTM	30.2
P/E F1	24.9
PEG F1	1.1
P/S TTM	15.2

## Price, Consensus & Surprise<sup>(1)</sup>



## Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



## Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026					1,039 E
2025	193 A				893 E
2024	149 A	174 A	194 A	203 A	719 A

## EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	1.85 E	1.90 E	1.95 E	2.02 E	8.01 E
2025	1.51 A	1.66 E	2.07 E	1.97 E	7.11 E
2024	0.91 A	1.25 A	1.47 A	1.63 A	5.26 A

\*Quarterly figures may not add up to annual.

1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 05/22/2025.

2) The report's text and the price target are as of 05/23/2025.

## Overview

Based in Denver, CO, Royal Gold, together with its subsidiaries, acquires and manages precious metals stream and royalty interests, with a primary focus on gold. Royal Gold manages its business under two segments:

**Acquisition and Management of Stream Interests** — A metal stream is a purchase agreement that provides, in exchange for an upfront deposit payment, the right to purchase all or a portion of one or more metals produced from a mine, at a price determined for the life of the transaction by the purchase agreement. As of Dec 31, 2022, Royal Gold owned interests in 186 properties on five continents, including 40 producing mines and 20 projects in the development stage.

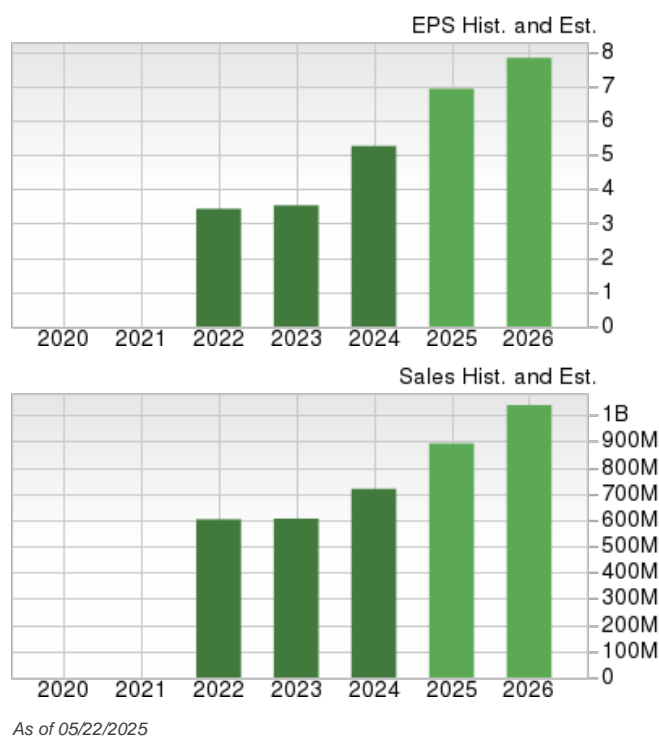
**Acquisition and Management of Royalty Interests** — Royalties are non-operating interests in mining projects which provide the right to revenues or metals produced from the project after deducting specified costs, if any.

The company's financial results are primarily tied to the price of gold, silver, copper, and other metals. Gold contributed 71% to its revenues in first-quarter 2022.

In February 2019, Royal Gold entered into a silver mine life purchase agreement with Khoemacau Copper Mining Limited (KCM), subsidiary of Cupric Canyon Capital LP. The agreement highlights the purchase and sale of silver, produced from the Khoemacau Copper Project in Botswana.

In January 2023, the company announced that its fully owned subsidiary, RG Royalties, LLC, acquired additional royalties from Idaho Royalty. The two portions of the gross smelter return royalty acquired cover a large area, which includes the Cortez mine operational area and the entirety of the Fourmile development project in Nevada.

As of Dec 31, 2021, Royal Gold completed the change in fiscal year-end from Jun 30 to Dec 31 to match the company's reporting and disclosure with a majority of its stream and royalty counterparties and the precious metals sector.



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## Reasons To Buy:

▲ Gold prices were on an uptrend in 2024, which continued in 2025. Several factors have contributed to this upward trajectory, including increased geopolitical tensions, a depreciating U.S. dollar, the potential for monetary policy easing and continuous purchasing by central banks. Currently, gold prices are rising due to uncertainty surrounding President Trump's tariff plans, which is driving demand for safe-haven assets. Backed by these, the yellow metal broke through the \$3,500-per-ounce threshold for the first time in April 2025 and is currently around \$3,326. Silver prices are around \$33 per ounce, backed by expectations of steady demand for the metal in the electrification industry, as well as safe-haven demand amid the escalating trade war sector. This pickup in the prices of gold and silver is likely to improve Royal Gold's results in the upcoming quarters.

Royal Gold is likely to benefit from ramping up of new projects and solid streaming agreements. Focus on acquisitions and new business investments aided by a deleveraged strong balance sheet bode well.

▲ Royal Gold has been benefiting from its acquisitions and strong business model. Despite persistent inflationary pressures in the broader economy, the company has been maintaining high margins. It is poised to gain from its solid streaming agreements.

In 2024, the company acquired royalty interests in the Back River Gold District and Cactus Project, which is expected to aid Royal Gold's performance. On June 26, 2024, Royal Gold's subsidiary, International Royalty Corporation, expanded its royalty holdings in the Back River Gold District by acquiring two additional royalties. The Back River boasts significant gold reserves totaling 9.2 million ounces, with 3.6 million ounces classified as Proven and Probable Reserves. Royal Gold's subsidiary, RG Royalties, LLC, acquired a 2.5% net smelter return (NSR) royalty on the Cactus Project in Arizona for \$55 million on Dec. 31, 2024. The Cactus Royalty covers the Cactus East, Cactus West and portions of the Parks/Salyer deposits, currently being developed by Arizona Sonoran Copper Company.

On March 28, 2025, RGLD Gold AG signed an additional stream agreement with Ero Gold Corporation for gold from the Xavantina mine, involving a \$50-million advance. By March 31, 2025, 46,544 ounces had been delivered under the Base Stream. The Additional Stream raises the 25% stream rate threshold from 93,000 to 160,000 ounces, with excess deliveries priced at 40% of spot gold. In May 2025, Royal Gold inked a gold purchase and a net smelter return royalty ("NSR") agreements for metals produced by Solaris Resources Warintza Project in southeastern Ecuador. The total deal amount of \$200 million will be paid in installments, subject to the fulfillment of certain conditions. The move will expose Royal Gold to a world-class resource with long life and large-scale production potential. The company will receive 20 ounces of gold per million pounds of recovered copper, initially paying 20% of spot gold prices until 90,000 ounces are delivered, increasing to 60% thereafter. If stream deliveries do not commence by 2033, the defined area of interest will expand significantly. RG AG will also earn a 0.30% NSR royalty, increasing annually until a cap of 0.60% or stream commencement. In the event of a change of control, these rates vest for the life of mine. Additional royalties may apply if Solaris sells assets within the broader project area.

▲ Royal Gold is focused on allocating its strong cash flow to dividends, debt reduction and new businesses. The company is now debt-free. Its total liquidity was \$1.25 billion as of March 31, 2025, consisting of \$250 million in working capital and \$1 billion available under the revolving credit facility. In November 2024, the company announced a 13% dividend increase, effective Jan. 17, 2025, raising the payout to 45 cents per share from 40 cents in the prior year. In 2024, the company repaid \$250 million of debt, effectively eliminating its total debt. This provides the company with the scope to strengthen its portfolio.

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## Risks

- Royal Gold's profitability is significantly affected by changes in the market price of gold and other mineral commodities. Prices fluctuate and are affected by numerous factors beyond the company's control. A drop in gold prices can impact commercial production. The company could lose interest in some or all of its properties, or be forced to cease operations or development activities or to abandon or sell properties. This could negatively impact the company's profitability and cash flow.
  - In the first quarter of 2025, sales were impacted by lower production from the Cortez Legacy Zone. At Xavantina, lower gold sales also impacted the top line. If persisted, these will further impact the company's margins.
  - Approximately 77% of Royal Gold's revenues come from six properties — Mount Milligan, Andacollo, Pueblo Viejo, Wassa, Peñasquito, and Cortez. This concentration of revenues could mean that adverse developments, including any adverse decisions made by the operators, at one or more of these properties could have a more significant or longer-term impact on the company's results.
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# Last Earnings Report

## Royal Gold Earnings Beat Estimates in Q1, Revenues Up Y/Y

Royal Gold reported adjusted earnings per share (EPS) of \$1.51 in first-quarter 2025, beating the Zacks Consensus Estimate of \$1.37. The bottom line improved 66% year over year.

Including one-time items, the company reported EPS of \$1.72 compared with the prior-year quarter's 72 cents.

The company generated revenues of \$193 million, reflecting a year-over-year increase of 29.6%. The upside was driven by higher average metal prices, increased gold revenues from Pueblo Viejo and higher gold and zinc production from Peñasquito. The gains were partially offset by lower production from Cortez and lower gold revenues from Xavantina.

Stream revenues were \$122 million and royalty revenues were \$71 million in the March-end quarter. On a year-over-year basis, stream revenues rose 19.5%, whereas royalty revenues increased 53.1%.

The company's cost of sales came in at \$24.5 million in the first quarter compared with the prior-year quarter's \$22 million.

General and administrative expenses amounted to \$11 million, flat year over year. The adjusted EBITDA was \$159 million in the reported quarter, up 35.9% year over year. The adjusted EBITDA margin came in at 82%, up from 72% reported in the year-ago quarter.

### Financial Position

Net cash from operating activities was \$136 million in the first quarter compared with the prior-year quarter's \$138 million. Royal Gold ended the quarter with cash and cash equivalents of around \$241 million compared with \$195 million at the end of Dec. 31, 2024.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	May 07, 2025
Sales Surprise	NA
EPS Surprise	10.22%
Quarterly EPS	1.51
Annual EPS (TTM)	5.86

Recent News

Royal Gold Secures Stream & Royalty Deal for Solaris' Warintza Project

Royal Gold, on **May 22**, announced that its wholly owned subsidiary RGLD Gold AG inked a gold purchase and a net smelter return royalty ("NSR") agreements for metals produced by Solaris Resources Warintza Project in southeastern Ecuador. The total deal amount of \$200 million will be paid in instalments, subject to fulfillment of certain conditions. The move will expose Royal Gold to a world-class resource with long life and large-scale production potential.

Royal Gold will pay the \$200 million in three installments. An initial \$100 million will be paid upon financial closing. The second transaction of \$50 million will be made after the Environmental Impact Assessment approval and publication of the Prefeasibility Study, anticipated in mid-to-late 2025. The final \$50 million will be paid one year after closing once full security registration is completed in Ecuador.

RG AG will receive 20 ounces of gold per million pounds of recovered copper, initially paying 20% of spot gold prices until 90,000 ounces are delivered, increasing to 60% thereafter. If stream deliveries do not commence by 2033, the defined area of interest will expand significantly. RG AG will also earn a 0.30% NSR royalty, increasing annually until a cap of 0.60% or stream commencement. In the event of a change of control, these rates vest for the life of mine. Additional royalties may apply if Solaris sells assets within the broader project area.

Valuation

Royal Gold's shares are up 20.8% in the trailing six-months period and up 36.7% over the trailing 12-month period. Stocks in the Zacks Mining-Gold industry and the Zacks Basic Materials sector are up 33.6% and down 4.5% in the trailing six-month period, respectively. Over the past year, the Zacks sub-industry and sector are up 43.6% and down 7.1% respectively.

The S&P 500 index is down 1.6% in the trailing six-month period and up 12.3% in the past year.

The stock is currently trading at 24.28X forward 12-month earnings, which compares with 13.51X for the Zacks sub-industry, 15.08X for the Zacks sector and 15.08X for the S&P 500 index.

Over the past five years, the stock has traded as high as 48.19X and as low as 20.58X, with a 5-year median of 27.97X.

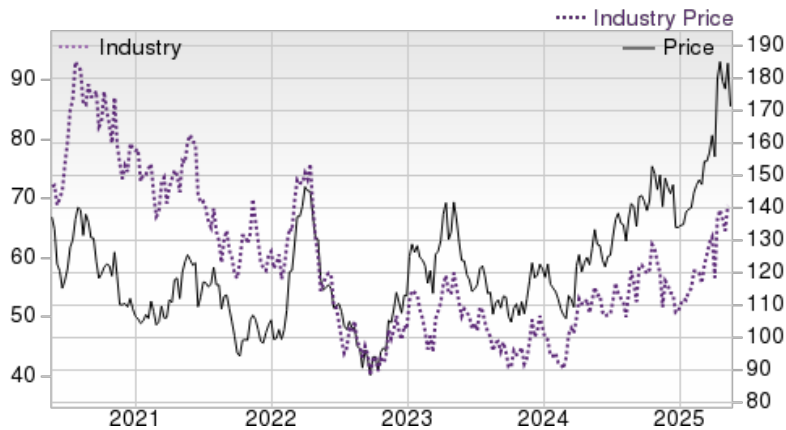
Our Outperform recommendation indicates that the stock will perform better than the market. Our \$203 price target reflects 27.89X forward 12-month earnings.

The table below shows summary valuation data for RGLD.

Valuation Multiples - RGLD					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	24.28	13.51	15.08	15.08
	5-Year High	48.19	23.55	18.46	24.06
	5-Year Low	20.58	11.64	7.91	15.63
	5-Year Median	27.97	16.53	12.79	21.11
EV/EBITDA TTM	Current	18.86	7.51	12.33	16.51
	5-Year High	39.69	33.63	13.19	22.66
	5-Year Low	14.41	5.24	5.82	14.02
	5-Year Median	19.11	7.94	10.74	18.38
P/B TTM	Current	3.62	1.69	3.04	7.87
	5-Year High	4.14	2.35	4.26	9.22
	5-Year Low	2.11	0.93	2.21	6.41
	5-Year Median	2.91	1.47	3.01	7.89

As of 05/22/2025Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 5% (13 out of 245)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Equinox Gold Corp. (EQX)	Outperform	3
Wheaton Precious Metals Corp. (WPM)	Outperform	1
Alamos Gold Inc. (AGI)	Neutral	2
B2Gold Corp (BTG)	Neutral	2
Centerra Gold Inc. (CGAU)	Neutral	2
Eldorado Gold Corporation (EGO)	Neutral	2
Iamgold Corporation (IAG)	Neutral	3
New Gold Inc. (NGD)	Neutral	2

Industry Comparison <sup>(1)</sup> Industry: Mining - Gold				Industry Peers		
	RGLD	X Industry	S&P 500	AGI	FNV	NGD
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	1	-	-	2	1	2
VGM Score	D	-	-	C	D	B
Market Cap	11.63 B	304.43 M	35.45 B	10.80 B	31.58 B	3.33 B
# of Analysts	5	2	20	5	7	4
Dividend Yield	1.02%	0.00%	1.57%	0.39%	0.93%	0.00%
Value Score	F	-	-	C	F	B
Cash/Price	0.02	0.06	0.04	0.03	0.04	0.11
EV/EBITDA	19.63	3.39	14.09	14.84	30.71	10.74
PEG Ratio	1.06	0.60	2.31	0.60	4.11	NA
Price/Book (P/B)	3.62	2.02	3.42	3.00	5.02	2.25
Price/Cash Flow (P/CF)	23.68	10.97	13.84	19.72	37.45	8.29
P/E (F1)	24.86	12.76	18.58	19.88	39.62	10.33
Price/Sales (P/S)	15.23	3.20	2.94	7.70	25.78	3.54
Earnings Yield	4.02%	4.18%	5.38%	5.02%	2.52%	9.74%
Debt/Equity	0.00	0.01	0.58	0.07	0.00	0.49
Cash Flow (\$/share)	7.46	0.01	9.00	1.30	4.38	0.51
Growth Score	B	-	-	C	B	B
Hist. EPS Growth (3-5 yrs)	10.84%	-0.36%	9.94%	17.23%	5.55%	12.34%
Proj. EPS Growth (F1/F0)	35.17%	43.43%	6.64%	61.25%	28.97%	105.00%
Curr. Cash Flow Growth	23.37%	8.41%	6.74%	37.31%	-11.80%	41.62%
Hist. Cash Flow Growth (3-5 yrs)	23.04%	15.60%	7.07%	17.11%	6.88%	15.60%
Current Ratio	4.74	2.10	1.19	1.49	22.91	1.68
Debt/Capital	0.00%	2.50%	38.68%	6.94%	0.00%	32.87%
Net Margin	52.15%	13.74%	12.40%	18.36%	50.39%	13.74%
Return on Equity	12.48%	-0.13%	16.92%	9.83%	11.40%	12.60%
Sales/Assets	0.23	0.33	0.52	0.28	0.19	0.39
Proj. Sales Growth (F1/F0)	24.20%	23.29%	4.12%	32.10%	25.90%	41.20%
Momentum Score	D	-	-	D	C	C
Daily Price Chg	-1.65%	-0.94%	-0.04%	-1.61%	-0.99%	-0.94%
1 Week Price Chg	-7.20%	-7.35%	-1.27%	-9.43%	-5.89%	-9.81%
4 Week Price Chg	-3.74%	0.00%	6.51%	-9.13%	-4.28%	21.68%
12 Week Price Chg	21.85%	22.83%	-0.33%	13.48%	16.18%	55.93%
52 Week Price Chg	37.34%	23.35%	10.90%	55.17%	35.31%	122.75%
20 Day Average Volume	533,083	471,354	2,779,866	4,258,371	825,045	25,633,160
(F1) EPS Est 1 week change	-0.08%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	4.47%	1.36%	0.00%	-0.15%	2.55%	5.16%
(F1) EPS Est 12 week change	14.75%	8.77%	-0.59%	0.47%	3.10%	61.39%
(Q1) EPS Est Mthly Chg	9.71%	2.49%	-0.62%	-12.50%	2.49%	0.00%



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## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	F
Growth Score	B
Momentum Score	D
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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