

Franco-Nevada Corporation

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Franco-Nevada 4Q earnings fall short of expectations amid gold price volatility

Franco-Nevada Corp (TSE:FNV)(NYSE:FNV) missed on earnings per share and revenue estimates as gold equivalent ounces fell year over year.

The company reported adjusted earnings of US\$44.7 million, or \$0.24 per share in the fourth-quarter 2018, down from the \$52.1 million, or \$0.28 per share, in the same period last year.

The number of gold equivalent ounces sold was 104,877 compared with 119,839 a year ago.

Total revenue was \$148 million for the quarter, the majority of which was derived from royalties on gold and gold equivalent ounces. Analyst expectations for 4Q revenue were higher at \$162 million, on average.

The energy assets performed well year over year, with \$86.1 million in revenue compared with \$47 million in 2017.

"Last year, our U.S. energy royalties substantially exceeded our expectations," said CEO David Harquail in a statement. "We expect these assets will continue to grow over the next five years."

Cash on hand was \$69.7 million, down substantially from \$511 million at the end of 2017.

The company's largest investment, the Cobre Panama mine owned by First Quantum Minerals Ltd, recently begun milling ore, which is expected to contribute to a growth in gold equivalent ounces over the next five years.

Franco Nevada own royalties in a number of precious and base metal mines globally.

Shares fell 4.8% to C\$96.35 in Canada, and 5.5% to US\$71.53 in the US.

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Price: 183.66

Market Cap: \$35 billion

1 Year Share Price Graph



Share Information

Code: FNV

Listing: TSX

52 week High Low
222.15 105.93

Sector: Gold & silver

Website: www.franco-nevada.com

Company Synopsis:

Franco-Nevada Corporation (TSX:FNV) is a gold focused royalty company with additional interests in platinum metals, oil & gas and other assets. The majority of revenues are generated from a diversified portfolio of royalty properties in the United States, Canada and Australia.

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