

Company Update Report

Gold Fields Limited

Basic materials

Ticker	GFI-ZA
Share price	R627,50
Intrinsic value	R474
Upside/(Downside)	-25%
Recommendation	Sell

As at: 10 September 2025

Analyst thesis

Our recommendation is based on:

- Macroeconomic tailwinds have driven gold prices higher in 2025, underpinned by intensifying global economic uncertainty, disruptive trade policy shifts, surging geopolitical tensions, aggressive gold buying by central banks, weakening US dollar, and monetary easing as lower interest rates reduce the opportunity cost of holding non-yielding assets like gold.
- Gold Fields' valuation looks stretched, with its EV/EBITDA multiple at 6.5x - around 38% above the 10-year average of 4.7x and near prior peak levels, potentially indicating that much of the bullish outlook is already reflected in the share price.
- Although the share price of Gold Fields seems extended, the price of gold could have further upside from:
 - Runaway debt levels in the US, stagflation, further central bank gold purchases seeking to diversify away from the US dollar, a prolonged weakening of the US dollar, escalating geopolitical tensions, and further disruption to global trade from tariffs.

Latest company and market insights

Key highlights

In this report, we review the latest FY25 interim results for the six months that ended 30 June 2025.

Financial results at a glance:

- Revenue increased 64% from \$2.12 billion to \$3.48 billion, driven by a 40% rise in realised gold price per ounce, 17% higher gold-equivalent ounces sold compared to H1 2024, and favourable FX movements in the operating countries.
- Cost of sales before amortisation and depreciation increased by 11% from \$1.08 billion to \$1.2 billion, mainly due to increased production and inflationary pressure on commodity inputs and employee and contract costs.
- Profit for the period increased 163% from \$402 million to \$1.06 billion, reflecting the margin expansion from higher gold prices and strong cost control, which filtered through to the bottom line.
- The interim declared dividend increased 133% to 700 SA cents, representing a payout of 34% of normalised earnings. (The dividend policy is to pay a dividend between 30% and 45% of normalised earnings).
- All-in sustaining costs (AISC) decreased by 4% from \$1 745/oz to \$1 682/oz reported in H1 2024. Management expects the AISC to further improve in H2 2025.
- Net debt to adjusted EBITDA ratio improved from 0.53x to 0.37x, with net debt decreasing by \$599 million compared to FY24.
- Salares Norte delivered continued progress in its ramp-up during the first half of 2025. Following output of 45koz gold equivalent in Q4 2024, production rose 13% quarter-on-quarter to 50koz eq in Q1 2025, then surged by a further 46% to reach 73koz eq in Q2 2025.

Management's outlook:

Area	Unit	FY24 Actual	FY25 Guidance
Gold equivalent production	moz	2.07	2.25 - 2.45
AISC	\$/oz	1 629	1 500 - 1 650
Capex	\$bn	1.18	1.49 - 1.55
Sustaining capital	\$m	849	940 - 970

Sector outlook

Gold is expected to remain a highly attractive asset, supported by central bank purchases, global markets uncertainty, and increased investment flows. Rising geopolitical tensions and recession fears are keeping gold strong as a safe haven, while declines in US Treasuries' performance encourage portfolio rotation toward gold. However, gold's trajectory also depends on the US dollar and Federal Reserve (Fed) policy - a stronger dollar or tighter Fed stance can pressure prices, while rate cuts or softer monetary policy typically boost demand.

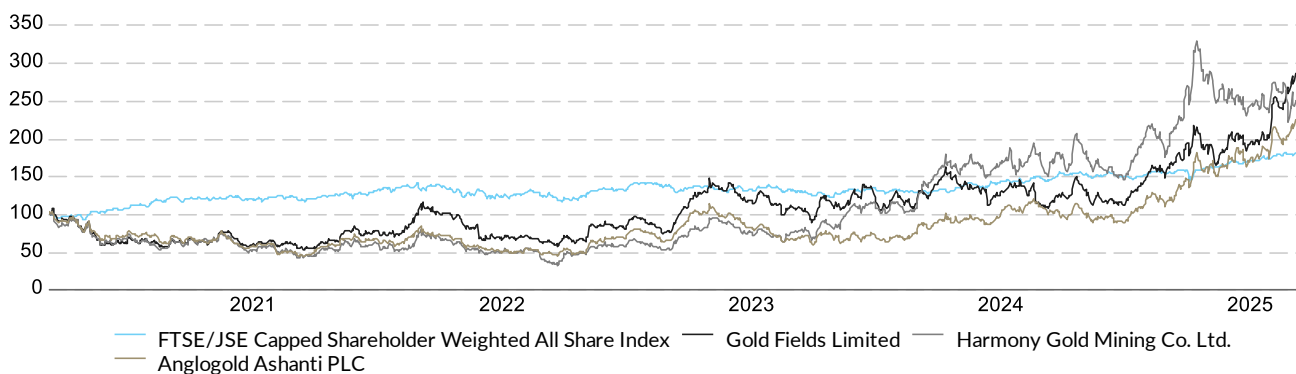


Table 1: Qualitative summary

Factor	Rating	Description
Growth	★★★★☆	Expected three-year revenue CAGR is 16.1% and expected three-year EPS CAGR is 29.7% The growth in revenue, and EPS is expected to follow the strong increase in the gold price, while mining costs are anticipated to remain in line with inflation, leading to margin expansion.
Valuation	★★★★☆	The share price is trading at a 25% premium to the IV. Current NTM P:E of 12.3x is trading at a -10% discount to the five-year average P:E of 13.1x.
Dividend	★★★★☆	LTM dividend yield 1.6%. NTM dividend yield 3.4%.
Issuance	★★★★☆	Shares issued have increased by 2% in the past five years.
Catalyst		Gold prices have been lifted by global and geopolitical uncertainty, a trend that is anticipated to continue. Production ramp-up stemming from the Salares Norte mine. Adoption of lower interest rates globally.
Quality of earnings	★★★★☆	Five-year average ROE 21.1%. Five-year average operating margin 35.4%. Five of the past 10 years had both positive earnings with growth. Stable five-year operating margins from strong cost controls. Margins set to expand, driven by the rise in gold prices, which will positively impact the bottom line.
Moat	★★★★☆	Scale: Strong portfolio diversification, limiting single-region exposure. Cost advantages: Production expansion possibilities.
Management and governance	★★★★☆	Neither the CEO nor the CFO of GFI has been in their respective positions for an extended period. They do, however, have extensive experience in the mining industry.
Balance sheet	★★★★☆	Net debt/EBITDA ratio 0.8x, interest coverage ratio 15.3x. Debt/assets ratio 29%. Debt increased in FY24 due to the acquisition of Osisko Mining.
Risks		Gold price declines or unfavourable foreign exchange fluctuations—both are largely beyond management's ability to control. Production losses may result from natural disasters or operational disruptions, such as accidents or equipment failures. Grade/recovery dilution risk. Poor capital allocation leading to overspending on current high gold prices or underperformance. Regulation: GFI operates in a highly regulated industry, leaving it susceptible to unanticipated regulatory changes.

Source: FactSet

Graph 1: Five-year price (Indexed to 100)



Source: FactSet

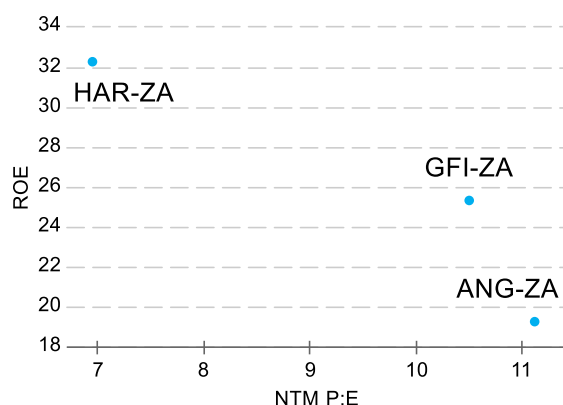


Table 2: Price performance versus benchmark and peers

Period	YTD	MTD	3M	6M	1Y	2Y	3Y	5Y	10Y
GFI-ZA	153.9%	8.2%	43.5%	70.8%	160.9%	163.8%	336.9%	187.4%	1494.7%
HAR-ZA	72.7%	10.7%	-0.7%	21.9%	63.7%	225.3%	581.5%	152.8%	2494.7%
ANG-ZA	156.3%	9.6%	31.7%	83.2%	112.2%	234.3%	349.3%	127.1%	930.7%
Capped SWIX	22.1%	1.3%	7.0%	17.9%	25.9%	39.2%	43.4%	82.9%	69.5%

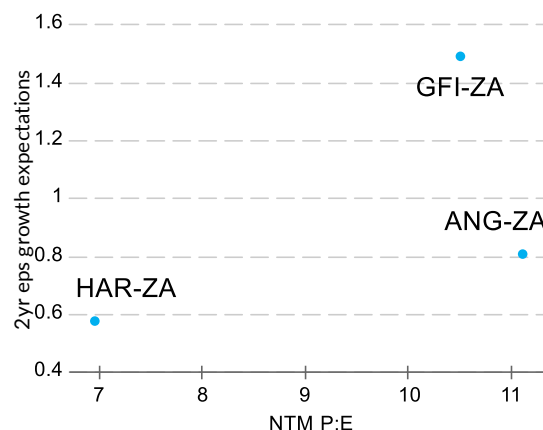
Source: FactSet

Graph 2: P:E vs 2Y average ROE



Source: FactSet

Graph 3: P:E vs EPS 2Y CAGR forecast



Source: FactSet

Valuation

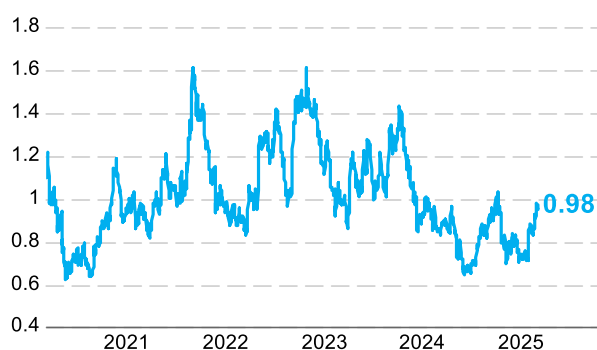
The valuation of Gold Fields is derived using an EV/EBITDA approach, applying an exit multiple to forecast future enterprise value. EBITDA projections are built on the company's production guidance, assuming ounces sold will be consistent with ounces produced. Gold price assumptions for FY26 are based on current market levels, with price growth modelled in line with historical increases in the gold spot price. The exchange rate for USD/ZAR is held constant at R18/USD in all scenarios going forward.

In addition, three scenarios - bear, base, and bull—are incorporated using probability weightings for each case, with the base case assigned the highest probability, reflecting alignment with historical averages.

Table 3: Valuation summary

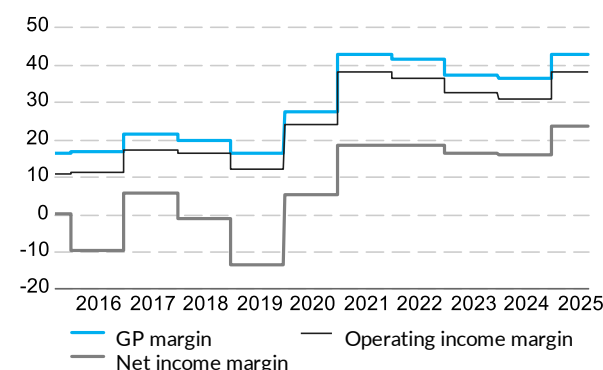
Valuation probabilities			
	Bear	Base	Bull
EV/EBITDA Multiple	4x	5x	6x
Probability	10%	60%	30%
Share price scenario	R391	R460	R529
Weighted intrinsic value	R474		
Upside/(Downside)	-25%		

Graph 4: NTM P:E relative to benchmark



Source: FactSet

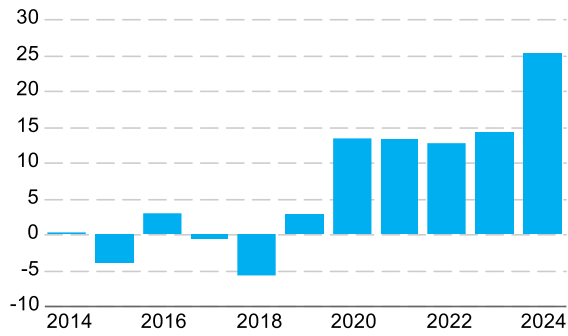
Graph 5: Profit margins (%)



Source: FactSet

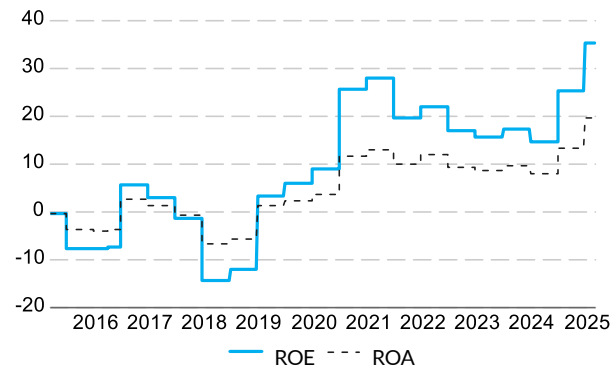


Graph 6: 10Y EPS Y/Y growth (%)



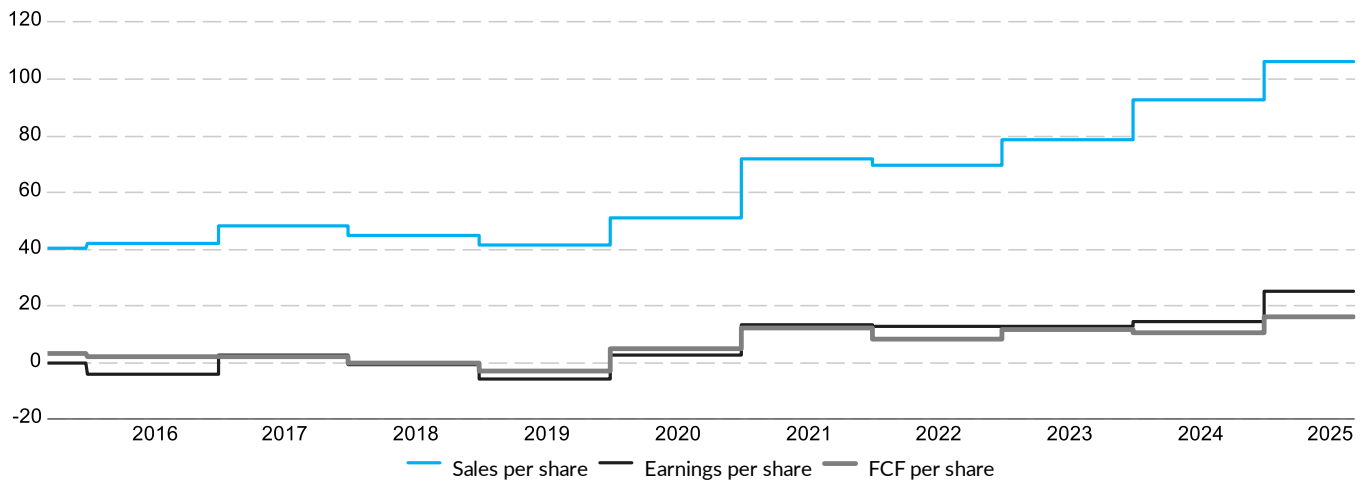
Source: FactSet

Graph 7: ROE and ROA (%)



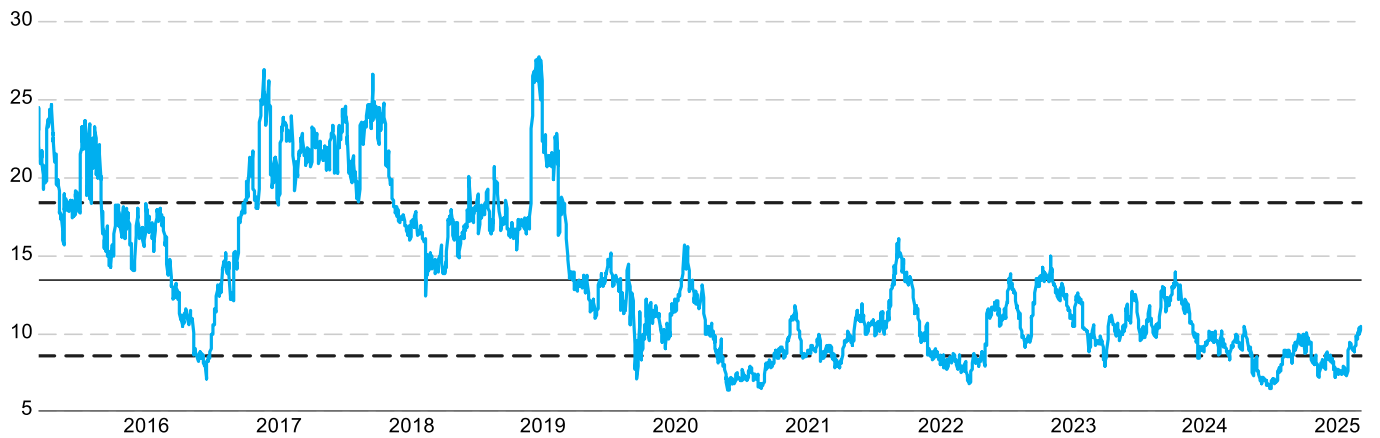
Source: FactSet

Graph 8: Sales, earnings and FCF per share (Rand)



Source: FactSet

Graph 9: NTM P:E



Source: FactSet



Table 4: Financials and ratios

Income statement (RMn)	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24	1Y Growth	3Y CAGR	5Y CAGR
Revenue	64 082	62 049	70 194	83 100	95 356	15%	15%	17%
Cost of sales	36 425	36 309	44 075	52 604	54 390	3%	14%	12%
Gross income	27 657	25 740	26 120	30 497	40 967	34%	17%	28%
EBIT	24 549	22 651	23 041	25 709	36 628	42%	17%	29%
EBITDA	35 638	33 487	36 914	40 870	48 584	19%	13%	20%
Net income	11 904	11 674	11 430	13 335	22 823	71%	25%	58%
EPS (Rand)	14	13	13	15	26	75%	25%	55%
Balance sheet (RMn)	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24	1Y Growth	3Y CAGR	5Y CAGR
Total assets	109 766	117 287	124 858	150 438	191 397	27%	18%	16%
Total shareholders' equity	56 231	65 916	73 837	84 485	101 273	20%	15%	20%
Total liabilities	53 535	51 370	51 021	65 954	90 123	37%	21%	12%
Ratios	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24	5Y Avg		
Net debt/EBITDA	0.4	0.5	0.3	0.5	0.8	0.5		
Interest coverage	11.7	14.8	14.4	13.2	15.3	13.9		
Debt/assets	26.2	20.3	20.1	20.3	29.0	23.2		

Source: FactSet

*0 = Loss-making year

Table 5: Standard finance and investment abbreviations

Abbreviation	Definition
GFI	Gold Fields Limited
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBIT	Earnings before interest and tax
CAGR	Compounded annual growth rate
EPS	Earnings per share
NTM	Next twelve months (also known as forward)
LTM	Last twelve months (also known as trailing)
ROE	Return on equity
ROA	Return on assets
DCF	Discounted Cash Flow
YTD	Year to date
MTD	Month to date
M	Month
Y/y	Year(s)
P:E	Price to earnings
GP	Gross profit
FCF	Free cash flow
FY	Financial year
NAV	Net asset value
USA/US	United States of America
AISC	All-in sustaining costs



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*Share price as at closing.

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