

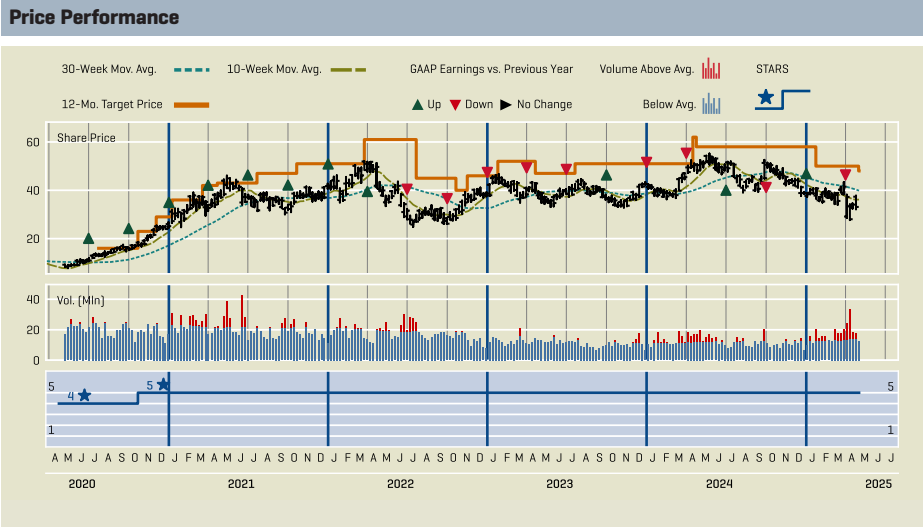


Recommendation	STRONG BUY ★★★★★	Price	USD 37.60 [as of market close May 02, 2025]	12-Mo. Target Price	USD 48.00	Report Currency	USD	Investment Style	Large-Cap Value
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Equity Analyst Matthew Miller, CFA

GICS Sector	Materials	Summary	FCX is a major natural resource company with interests in copper, gold, and molybdenum. It is one of the world's largest publicly traded copper producers.
Sub-Industry	Copper		

Key Stock Statistics [Source: CFRA, S&P Global Market Intelligence (SPGMI), Company Reports]									
52-Wk Range	USD 55.23 - 27.66	Oper.EPS2025E	USD 1.56	Market Capitalization[B]	USD 52.29	Beta			1.71
Trailing 12-Month EPS	USD 1.39	Oper.EPS2026E	USD 2.09	Yield [%]	1.65	3-yr Proj. EPS CAGR[%]			15
Trailing 12-Month P/E	27.05	P/E on Oper.EPS2025E	24.10	Dividend Rate/Share	USD 0.6	SPGMI's Quality Ranking			B
USD 10K Invested 5 Yrs Ago	47,162.0	Common Shares Outstg.[M]	1,400.00	Trailing 12-Month Dividend	USD 0.6	Institutional Ownership [%]			84.0



Source: CFRA, S&P Global Market Intelligence

Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Matthew Miller, CFA on May 01, 2025 01:01 AM ET, when the stock traded at USD 37.17.

Highlights

- Sales volume jumped in 2022 (copper +11%, gold +34%) on ramped-up underground output at Grasberg in Indonesia. In 2023, copper volume fell 3%, gold fell 6%, but molybdenum (moly) rose 8%. In 2024, copper volume fell 0.5% to 4.066B lbs., gold rose 7% to 1.837M oz., and moly fell 4% to 78M lbs. In 2025, we see copper sales falling 1.5% to 4.0B lbs., gold falling 13% to 1.6M oz., and moly rising 13% to 88M lbs.
- In 2024, adj. EBITDA rose 10% to \$9.1B, on higher copper and gold prices and higher gold and moly volume. In 2025, we forecast adj. EBITDA to rise 15% to \$10.5B, on higher gold and copper prices. We see an average per-pound net cash cost for copper production of \$1.60 in 2025 vs. \$1.56 in 2024.
- Net debt, excluding Indonesian smelter financing, fell to \$1.1B as of end-2024, a strong improvement from \$6.1B at end-2020. FCX's strong balance sheet has effectively pre-funded attractive long-term growth projects: Bagdad and Lone Star expansions and Kucing Liar underground mining. Since end-June 2021, FCX has returned \$4.7B to shareholders: 32% base dividend, 28% variable dividend, and 40% share repurchases. We cut our 2025 adj. EPS estimate by \$0.21 to \$1.56 and 2026's by \$0.24 to \$2.09.

Investment Rationale/Risk

- Our Strong Buy opinion is driven by FCX's solid execution, its top-tier (and geographically diverse) copper reserves, and our outlook for stable copper production at 4.0B-4.2B pounds annually through 2027, combined with our bullish view on the underlying copper fundamentals. We think it is highly likely that the copper market will experience an extended period of structural supply deficits, driven by strong demand growth and insufficient new mining projects in the pipeline. Despite pockets of weakness, global demand remains robust, and incremental demand from electric vehicles and electronic products should become more meaningful each year. FCX has significant leverage to copper prices; each \$0.10/lb increase in copper adds around \$425M to annual EBITDA and \$330M to annual cash flow.
- Key risks include lower metal prices, weaker global growth, and USD appreciation. These factors could materially impact financial results and valuation.
- Our \$48 target implies 6.5x 2026E EBITDA, below FCX's 6.9x three-year average and peer average of 6.8x. Our DCF model [10% WACC, 2.5% terminal growth] suggests \$47 fair value. We expect higher copper prices to drive upside.

Analyst's Risk Assessment

LOW	MEDIUM	HIGH
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Our risk assessment reflects the company's exposure to cyclical demand for copper, gold, and molybdenum, which are traded on liquid spot markets. Market prices can be volatile, and thus result in significant volatility in earnings.

Revenue/Earnings Data

Revenue (Million USD)					
	1Q	2Q	3Q	4Q	Year
2026	E 7,073	E 7,322	E 7,911	E 8,226	E 30,533
2025	5,728	E 6,966	E 6,940	E 7,156	E 26,790
2024	6,321	6,624	6,790	5,720	25,455
2023	5,389	5,737	5,824	5,905	22,855
2022	6,603	5,416	5,003	5,758	22,780
2021	4,850	5,748	6,083	6,164	22,845

Earnings Per Share (USD)					
	1Q	2Q	3Q	4Q	Year
2026	E 0.48	E 0.52	E 0.54	E 0.56	E 2.09
2025	0.24	E 0.43	E 0.41	E 0.48	E 1.56
2024	0.32	0.46	0.38	0.31	1.48
2023	0.52	0.35	0.39	0.27	1.54
2022	1.07	0.58	0.26	0.52	2.43
2021	0.51	0.77	0.89	0.96	3.13

Fiscal Year ended Dec 31. EPS Estimates based on CFRA's Operating Earnings; historical earnings are adjusted. In periods where a different currency has been reported, this has been adjusted to match the current quoted currency.

Dividend Data

Amount [USD]	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.0750	--	Apr 15	Apr 15	May 01 '25
0.0750	Mar 26	Apr 15	Apr 15	May 01 '25
0.0750	Dec 18	Jan 15	Jan 15	Feb 03 '25
0.0750	Sep 25	Oct 15	Oct 15	Nov 01 '24

Dividends have been paid since 1995 . Source: Company reports

Past performance is not an indication of future performance and should not be relied as such.

Forecasts are not a reliable indicator of future performance.

Dividends paid in currencies other than the Trading currency have been accordingly converted for display purposes.



Freeport-McMoRan Inc.

Business Summary May 01, 2025

CORPORATE OVERVIEW. Freeport-McMoRan [FCX] is one of the world’s largest copper producers and a major producer of gold and molybdenum. FCX’s portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world’s largest copper and gold deposits, and significant mining operations in the Americas, including the large-scale Morenci minerals district in North America and the Cerro Verde operation in South America. In North America, FCX operates seven copper mines [Morenci, Bagdad, Safford, Sierrita, Miami in Arizona, and Chino and Tyrone in New Mexico] and two molybdenum mines [Henderson and Climax in Colorado]. In addition to copper, certain of FCX’s North American copper mines also produce molybdenum concentrate, gold, and silver. In South America, FCX operates two copper mines [Cerro Verde in Peru and El Abra in Chile]. In addition to copper, the Cerro Verde mine also produces molybdenum concentrate and silver. In Indonesia, FCX’s subsidiary, PT Freeport Indonesia [PT-FI], operates the mines in the Grasberg minerals district. In addition to copper, the Grasberg minerals district also produces gold and silver.

MARKET DYNAMICS. In general, demand for copper reflects the rate of underlying world economic growth, particularly in industrial production and construction. According to Wood Mackenzie, a widely followed independent metals market consultant, copper’s end-use markets [and their estimated shares of total consumption] are construction [29%], electrical applications [27%], consumer products [22%], transportation [11%], and industrial machinery [11%]. CFRA thinks copper will continue to be essential in these basic uses and contribute significantly to new technologies for energy efficiencies, to advancing communications, and to enhancing public health. Examples of areas that will likely require additional copper in the future include: [i] high-efficiency motors, which consume up to 75% more copper than a standard motor; [ii] electric vehicles, which consume up to four times the amount of copper in terms of weight compared to vehicles of similar size with an internal combustion engine, and require copper-intensive charging station infrastructure to refuel; and [iii] renewable energy such as wind and solar, which consume four to five times the amount of copper compared to traditional fossil fuel-generated power.

Gold is used for jewelry, coinage, and bullion, as well as various industrial and electronic applications. Molybdenum is a key alloying element in steel and the raw material for several chemical-grade products used in catalysts, lubrication, smoke suppression, corrosion inhibition, and pigmentation. As a high-purity metal, molybdenum is also used in electronics such as flat-panel displays and in superalloys used in aerospace.

REGULATORY MATTERS. In December 2018, FCX announced its long-awaited agreement with the Indonesian state-owned enterprise [Inalum] and PT-FI joint venture [JV] partner Rio Tinto. Inalum acquired for cash consideration of \$3.85 billion all of Rio Tinto’s interests associated with the JV with PT-FI and 9.36% of FCX’s interest in PT-FI. Rio Tinto received \$3.5 billion, and FCX received \$350 million in cash proceeds from Inalum. FCX will continue to manage the operations of PT-FI. Under the terms of the agreement, PT-FI has been granted an extension of mining rights through 2031, with rights to extend mining rights through 2041. Following the transaction, FCX has 48.79% ownership in PT-FI and the remaining 51.24% is owned by Inalum; however, the deal was structured so that FCX retains 81% economic ownership through 2022.

FINANCIAL TRENDS. In February 2021, the Board adopted a financial policy for the allocation of cash flows with its strategic objectives of maintaining a strong balance sheet and increasing cash returns to shareholders while advancing opportunities for future growth. Following achievement of the company’s net debt target in the range of \$3.0 billion to \$4.0 billion [excluding debt for additional smelting capacity in Indonesia], FCX announced in November 2021 the implementation of a performance-based payout framework, including the commencement of a new \$3.0 billion share repurchase program and expected base and variable dividends totaling \$0.60 per share for 2022. Dividends remained constant in 2023 and 2024, at \$0.60 per share for the year.

Consolidated revenues totaled \$25.5 billion in 2024, up from \$22.9 billion in 2023, and operating cash flow was \$7.2 billion, up from \$5.3 billion in 2023. The year-over-year increase in operating cash flow was driven mostly by higher copper and gold prices.

In 2023, capital expenditures totaled \$4.8 billion [including \$1.8 billion for major mining projects and \$1.7 billion for the Indonesia smelter projects]. In 2024, capex was \$4.8 billion [including \$2.1 billion for major mining projects and \$1.2 billion for the Indonesia smelter projects].

As of December 31, 2024, FCX’s consolidated recoverable proven and probable mineral reserves totaled 97.0 billion pounds of copper, 23.0 million ounces of gold, and 3.16 billion pounds of molybdenum.

As of December 31, 2024, FCX had \$3.9 billion in cash [\$4.7 billion including \$0.7 billion in restricted cash associated with PT-FI’s export proceeds required to be temporarily deposited in Indonesian banks] and \$3.0 billion available under its revolving credit facility. In addition, PT-FI and Cerro Verde have \$1.5 billion and \$350 million, respectively, of availability under their respective revolvers.

As of December 31, 2024, net debt, excluding \$3.2 billion of debt for the Indonesia smelter projects, totaled \$1.06 billion.

Corporate information

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Officers	
Executive VP & General Counsel D. N. Currault	Executive VP & CFO M. E. Robertson
CEO, President & Director K. L. Quirk	Chairman R. C. Adkerson
VP & Chief Accounting Officer E. L. Mikes	

Board Members	
D. E. McCoy	K. L. Quirk
D. P. Abney	L. H. Kennard
F. F. Townsend	M. E. Donadio
H. Grant	R. C. Adkerson
J. B. Johnston	R. M. Lance
J. J. Stephens	R. W. Dudley
J. S. Roy	S. G. Lewis

Domicile Delaware	Auditor Ernst & Young LLP
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Founded
1987

Employees
28,500

Stockholders
N/A



Freeport-McMoRan Inc.

Quantitative Evaluations					
Fair Value Rank	1	2	3	4	5
LOWEST HIGHEST Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued [1] to most undervalued [5].					
Fair Value Calculation	USD 31.54	Analysis of the stock's current worth, based on CFRA's proprietary quantitative model suggests that FCX is overvalued by USD 6.06 or 16.12%			
Volatility	LOW	AVERAGE		HIGH	
Technical Evaluation	NEUTRAL	Since April, 2025, the technical indicators for FCX have been NEUTRAL "			
Insider Activity	UNFAVORABLE	NEUTRAL		FAVORABLE	

Expanded Ratio Analysis				
	2024	2023	2022	2021
Price/Sales	2.16	2.69	2.42	2.71
Price/EBITDA	5.77	7.21	5.95	5.83
Price/Pretax Income	7.95	10.20	8.17	8.07
P/E Ratio	25.73	27.64	15.57	13.33
Avg. Diluted Shares Outstg. [M]	1,445.00	1,443.00	1,451.00	1,482.00
Figures based on fiscal year-end price				

Key Growth Rates and Averages			
Past Growth Rate [%]	1 Year	3 Years	5 Years
Net Income	2.22	NM	51.21
Sales	11.38	3.67	12.06
Ratio Analysis [Annual Avg.]			
Net Margin [%]	7.42	10.24	10.76
% LT Debt to Capitalization	23.13	24.39	26.94
Return on Equity [%]	15.69	16.26	15.86

Sub-Industry Outlook

We have a positive fundamental outlook for the Copper sub-industry, as we forecast strong secular growth in copper demand, driven by decarbonization. The production of the average electric vehicle (EV) consumes 2x-3x as much copper as a vehicle with an internal combustion engine. Meanwhile, wind and solar energy projects require 4x-6x as much copper per megawatt, relative to legacy carbon-intensive energy. Demand has been resilient despite heightened risks over the macroeconomic outlook and negative sentiment concerning a slowdown in China's manufacturing and housing markets, as well as significant uncertainty regarding global trade wars.

After the price of copper bottomed in late March 2020 at around \$2.11/pound, it more than doubled in price in only 13 months. In May 2024, the copper price set a new record-high closing price of \$5.11/pound, which eclipsed the previous record-high price of \$4.75/pound in May 2021. During 2023, the average copper price was \$3.86/pound, down 3.6% versus the average in 2022 of \$4.00/pound (down 5.6% from the record-high average annual price of \$4.24/pound in 2021). Copper rebounded in 2024, with an average price of \$4.22/pound, up 9.5% Y/Y.

In 2023, one of the world's largest copper mines, Cobre Panama, was forced to stop production. Cobre Panama is a new mine and was responsible for much of the global production growth in 2023. It broke into the top 10 mines by production in 2023 with total production of around 331,000 tonnes, and was expected to produce 400,000 tonnes in 2024, which would have made it the seventh largest mine by production. Yet, faced with public protests, the Supreme Court in Panama declared FM's mining license unconstitutional. FM was forced to shut down the mine in December 2023. Meanwhile, significant operational issues forced Anglo American (one of the world's largest miners) to slash its copper production forecast for 2024 by around 200,000 tonnes. Losing a total of 600,000 tonnes (from just Cobre Panama and Anglo American) equates

to nearly 3% of global supply.

CFRA thinks we have hit a positive inflection point for demand tied to decarbonization, and the secular growth we expect from this theme drives our bullish outlook for copper in the medium to long term. CRU, a commodity research firm, forecasts EV share (as a percentage of total light duty vehicle sales) to increase from around 19% in 2024 to nearly 33% by 2027. With this EV market assumption, combined with other assumptions concerning renewable energy, power grids, and energy storage, we forecast refined copper consumed for decarbonization end markets growing from 1.2 million metric tons (mt) in 2021, or 5% of global demand, to around 2.6 million mt in 2025 (10%) and reaching 6.0 million mt by 2027 (20%).

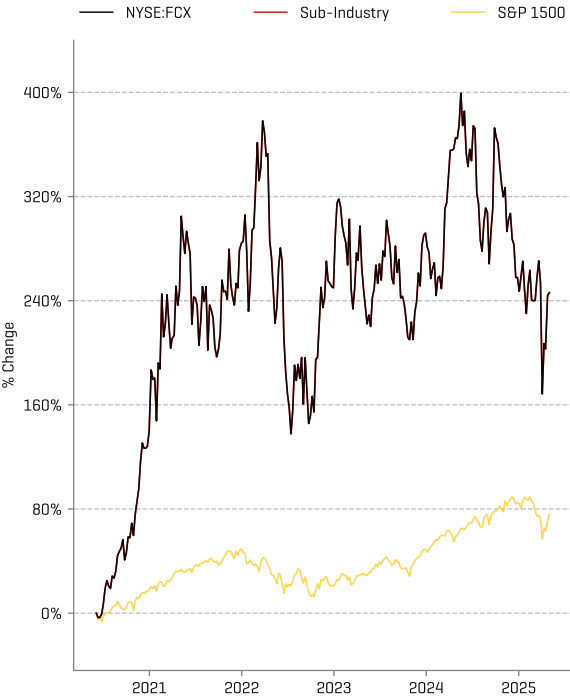
As of February 28, 2025, the year-to-date decline for the S&P 1500 Copper Index was 3.1%, versus the S&P Composite 1500 Index, up 1.0%. In 2024, the S&P 1500 Copper Index declined 10.5%, versus the S&P Composite 1500 Index increase of 22.2%. As of February 28, 2025, the five-year compound annual growth rate (CAGR) for the S&P 1500 Copper Index was 30.0% versus the S&P Composite 1500 Index CAGR of 14.7%.

/ Matthew Miller, CFA

Industry Performance

GICS Sector: Materials
Sub-Industry: Copper

Based on S&P 1500 Indexes
Five-Year market price performance through May 03, 2025



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.
All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).
Past performance is not an indication of future performance and should not be relied upon as such.
Source: CFRA, S&P Global Market Intelligence

Sub-Industry: Copper Peer Group*: Copper

Peer Group	Stock Symbol	Exchange	Currency	Recent Stock Price	Stk. Mkt. Cap. [M]	30-Day Price Chg. [%]	1-Year Price Chg. [%]	P/E Ratio	Fair Value Calc.	Yield [%]	Return on Equity [%]	LTD to Cap [%]
Freeport-McMoRan Inc.	FCX	NYSE	USD	36.41	52,292.0	-4.5	-27.0	26.0	31.54	1.6	14.1	23.1
First Quantum Minerals Ltd.	FM	TSX	CAD	18.65	15,446.0	-5.0	7.2	84.0	13.26	N/A	0.4	37.1
MAC Copper Limited	MTAL	NYSE	USD	8.87	732.0	-4.9	-33.3	NM	N/A	N/A	-19.8	35.6
Southern Copper Corporation	SCCO	NYSE	USD	88.96	71,529.0	-4.3	-19.7	20.0	N/A	3.1	N/A	N/A

*For Peer Groups with more than 10 companies or stocks, selection of issues is based on market capitalization.
NA- Not Available; NM- Not Meaningful.
Note: Peers are selected based on Global Industry Classification Standards and market capitalization. The peer group list includes companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business.

Freeport-McMoRan Inc.

Analyst Research Notes and other Company News

May 01, 2025

01:01 AM ET... CFRA Maintains Strong Buy Opinion on Shares of Freeport-McMoRan [FCX 33.37*****]:

We cut our 12-month target by \$2 to \$48, on an EV/EBITDA of 6.5x our 2026 EBITDA estimate, below FCX's three-year avg. forward EV/EBITDA of 6.9x and a discount to peers' avg. forward EV/EBITDA of 6.8x. We cut our 2025 adj. EPS estimate by \$0.21 to \$1.56 and our 2026 EPS forecast by \$0.24 to \$2.09. FCX posted Q1 adj. EPS of \$0.24 vs. \$0.32, \$0.01 above consensus; Q1 sales dropped 9.4% Y/Y but beat consensus by 4.8%. FCX is targeting a 40% increase in its leach production rate to 300 million pounds of copper annually by end-2025, with a long-term goal of 800 million pounds annually by 2030. We think this initiative, which should enhance margins and profitability, is underestimated by the market. The Indonesian smelter repair process is ahead of schedule, with startup planned for end-May. FCX guides for sales volumes of 4 billion lbs. of copper, 1.6 million oz. of gold, and 88 million lbs. of molybdenum, and estimates that proposed tariffs could increase the cost of goods it purchases in the U.S. by around 5%. / Matthew Miller, CFA

April 24, 2025

10:06 AM ET... Freeport-McMoRan Q1 Volumes Decline But Strong Copper Prices Cushion the Impact [FCX 36.45*****]:

Freeport-McMoRan reported Q1 2025 net income of \$352M [\$0.24 per share, \$0.01 above consensus], down from \$473M [\$0.32 per share] in Q1 2024, as copper production fell 20% to 868M lbs amid planned maintenance in Indonesia. Despite lower volumes, FCX benefited from higher realized copper prices of \$4.44/lb, up 12.7% Y/Y, though unit net cash costs increased 37.1% to \$2.07/lb due to reduced output and cost inflation. The company's new Indonesian smelter remains on track for mid-2025 start-up, which should enhance operational flexibility and value-added production capabilities. Management maintained its full-year 2025 production guidance, expecting costs to trend lower as volumes recover, particularly in Indonesia. We believe FCX's strong balance sheet, with \$4.4B in consolidated cash, provides ample flexibility to pursue growth initiatives, including potential expansions in U.S. and South American operations, while navigating market uncertainties. / Matthew Miller, CFA

April 01, 2025

04:02 AM ET... Freeport-McMoRan Weathers Q1 Challenges, Copper Strength Shines [FCX 38.42*****]:

Freeport-McMoRan expects to meet Q1 2025 copper sales guidance of 850M lbs, though gold sales will be approximately 100k oz below the initial guidance of 225k oz due to temporary export restrictions in Indonesia. The company anticipates strong copper pricing with an expected average realized price of \$4.40/lb for Q1, above the LME quarterly settlement price of \$4.24/lb. While consolidated unit net cash costs are projected to be 5% higher than the \$2.05/lb guidance, FCX continues to advance strategic initiatives in Indonesia, including its newly commissioned precious metals refinery and new smelter project. We remain bullish on copper and on FCX, as we think FCX provides strong leverage to copper prices, which have recently been trading near record highs above \$5.00/lb. / Matthew Miller, CFA

January 23, 2025

12:03 PM ET... CFRA Keeps Strong Buy Rating on Shares of Freeport-McMoRan Inc. [FCX 37.13*****]:

We decrease our 12-month target by \$8 to \$50, using an EV/EBITDA of 6.5x our 2026 EBITDA estimate, a discount to FCX's three-year average forward EV/EBITDA of 6.9x and a discount to peers' average forward EV/EBITDA of 7.5x. We lower our 2025 adj. EPS view by \$0.77 to \$1.77 and set 2026's at \$2.33. FCX posted Q4 adj. EPS of \$0.31 vs. \$0.27, \$0.09 above consensus. Q4 sales declined 3.1% Y/Y and missed consensus by 4.5%. Q4 production volume (both copper and gold) declined Y/Y, as lower grades and timing of shipments in Indonesia both had negative impacts. Copper production fell 5% Y/Y during Q4 to 1.04 billion lbs, while gold production was down nearly 25% Y/Y to 432k oz. Molybdenum production bucked the trend, with an increase in production of 10% Y/Y to 22 million lbs. The average realized prices improved for all metals, with copper up 8.9% Y/Y to \$4.15/lb., gold up 29.2% Y/Y to \$2,628/oz., and molybdenum up 7.6% Y/Y to \$22.23/lb. We are bullish on copper, and FCX provides strong leverage to the copper price. / Matthew Miller, CFA

October 22, 2024

02:49 PM ET... CFRA Maintains Strong Buy Recommendation on Shares of Freeport-McMoRan Inc. [FCX 48.51*****]:

Our unchanged 12-month target price of \$58 assumes FCX will trade at an EV/EBITDA of 7.5x our 2025 EBITDA estimate, a premium relative to FCX's three-year average forward EV/EBITDA of 6.9x, but below peers, which are trading at an average forward EV/EBITDA of 8.8x. We decrease our 2024 EPS estimate by \$0.11 to \$1.63 and keep our 2025 EPS forecast at \$2.54. FCX posted Q3 adjusted EPS of \$0.38 vs. \$0.39, \$0.01 above consensus. Revenue increased 17% Y/Y and beat consensus by 5.1%. A recent fire at the new Indonesian smelter has delayed its ramp up, with first sales from the smelter now expected in Q2 2025. During Q3, copper production fell 3.1% Y/Y to 1.050 billion pounds and copper sales volume declined 6.6% Y/Y to 1.035 billion pounds. However, the average realized copper price rose 13% Y/Y to \$4.30/lb. and net cash costs improved to \$1.39/lb., a Y/Y decline of \$0.34/lb., or 20%. In our opinion, FCX remains one of the most compelling ways to gain exposure to secular demand trends related to electrification. / Matthew Miller, CFA

July 24, 2024

10:00 AM ET... CFRA Maintains Strong Buy Recommendation on Shares of Freeport-McMoRan Inc. [FCX 44.84*****]:

We reiterate our 12-month target price of \$58, using an EV/EBITDA of 7.5x our 2025 EBITDA estimate, above FCX's three-year average forward EV/EBITDA of 6.8x but below peers' average forward EV/EBITDA of 8.7x. We keep our 2024 EPS estimate at \$1.74 and increase our 2025 EPS forecast by \$0.25 to \$2.54. FCX posted Q2 adj. EPS of \$0.46 vs. \$0.35, \$0.08 above consensus; Q2 revenue of \$6.6B rose 15% Y/Y and beat consensus by 10%. Shipping delays in Indonesia (related to a late approval of an export license) resulted in a 5% Q/Q decline in copper sales. One of the major takeaways from the Q2 earnings conference call is that Chile's President Gabriel Boric has changed his tone from the initial election period and the Chilean government is more supportive of the mining industry. Lower geopolitical tensions should provide FCX the confidence needed to develop long-term copper projects, such as El Abra, where FCX plans to spend around \$7.5B over the next eight years to expand this significant Chilean copper mine. / Matthew Miller, CFA

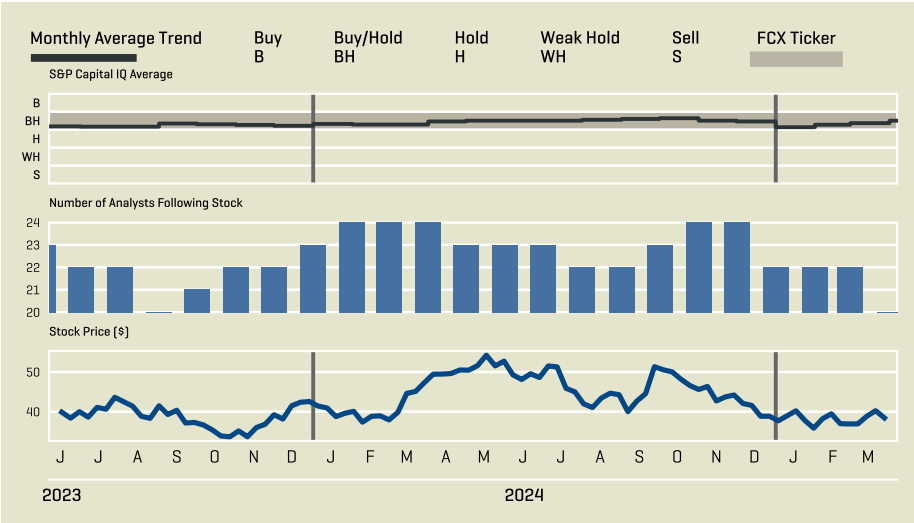
April 24, 2024

01:03 PM ET... CFRA Maintains Strong Buy Opinion on Shares of Freeport-McMoRan Inc. [FCX 47.63*****]:

We decrease our 12-month target by \$4 to \$58, valuing FCX at an EV/EBITDA of 7.5x our 2025 EBITDA estimate, below peers, which are trading at an average forward EV/EBITDA of 9.1x, but above FCX's three-year average forward EV/EBITDA of 6.6x. We lower our 2024 EPS estimate by \$0.86 to \$1.74 and our 2025 EPS forecast by \$0.83 to \$2.29. FCX posted Q1 adj. EPS of \$0.32 vs. \$0.52, \$0.04 above consensus, driven by a top-line beat of 11%. Q1 copper production increased 12% Y/Y to 1.085 billion pounds and gold production increased 36% Y/Y to 549 thousand ounces. Relative to the prior-year quarter, higher copper volume and higher by-product credits were partly offset by higher export duties in Indonesia, resulting in Q1 average unit net cash costs of \$1.51 per pound, down from \$1.76 per pound in Q1 2023. We think FCX's free cash flow (FCF) is under-appreciated by the market and we anticipate a step-change in FCF in 2025, as \$1.0 billion will be spent in 2024 for the Indonesia smelter, scheduled to start up in June. / Matthew Miller, CFA

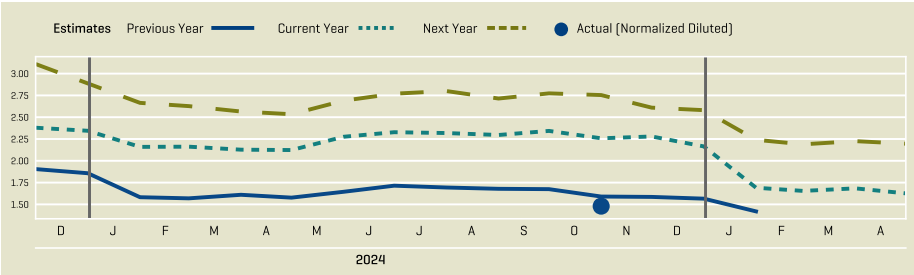
Note: Research notes reflect CFRA's published opinions and analysis on the stock at the time the note was published. The note reflects the views of the equity analyst as of the date and time indicated in the note, and may not reflect CFRA's current view on the company.

Analysts Recommendations



	No. of Recommendations	% of Total	1 Mo.Prior	3 Mos.Prior
Buy	8	40	9	7
Buy/Hold	5	25	5	4
Hold	6	30	6	10
Weak hold	1	5	1	1
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	20	100	21	22

Wall Street Consensus Estimates



Fiscal Year	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2026	2.20	3.33	1.52	14	16.58
2025	1.63	1.93	1.27	13	22.39
2026 vs. 2025	▲ 35%	▲ 73%	▲ 20%	▲ 8%	▼ -26%
Q2'26	0.52	0.86	0.38	7	70.40
Q2'25	0.42	0.58	0.33	8	86.40
Q2'26 vs. Q2'25	▲ 23%	▲ 48%	▲ 15%	▼ -13%	▼ -19%

Forecasts are not reliable indicator of future performance.
Note: A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Note: For all tables, graphs and charts in this report that do not cite any reference or source, the source is S&P Global Market Intelligence.

Wall Street Consensus Opinion

Buy/Hold

Wall Street Consensus vs. Performance

For fiscal year 2025, analysts estimate that FCX will earn USD 1.63. For fiscal year 2026, analysts estimate that FCX's earnings per share will grow by 35.03% to USD 2.20.

Freeport-McMoRan Inc.**Glossary****STARS**

Since January 1, 1987, CFRA Equity and Fund Research Services, and its predecessor S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs [American Depositary Receipts], and ADSs [American Depositary Shares] based on a given equity's potential for future performance. Similarly, we have ranked Asian and European equities since June 30, 2002. Under proprietary STARS [Stock Appreciation Ranking System], equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark [e.g., a regional index [MSCI AC Asia Pacific Index, MSCI AC Europe Index or S&P 500® Index]], based on a 12-month time horizon. STARS was designed to help investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Global Market Intelligence's Quality Ranking

[also known as **S&P Capital IQ Earnings & Dividend Rankings**] - Growth and S&P Capital IQ Earnings & Dividend Rankings stability of earnings and dividends are deemed key elements in establishing S&P Global Market Intelligence's earnings and dividend rankings for common stocks, which are designed to capsule the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A Above	C Lowest
B+ Average	D In Reorganization
NC Not Ranked	

EPS Estimates

CFRA's earnings per share [EPS] estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, EPS estimates reflect either forecasts of equity analysts; or, the consensus [average] EPS estimate, which are independently compiled by S&P Global Market Intelligence, a data provider to CFRA. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

12-Month Target Price

The equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Abbreviations Used in Equity Research Reports

CAGR - Compound Annual Growth Rate
 CAPEX - Capital Expenditures
 CY - Calendar Year
 DCF - Discounted Cash Flow
 DDM - Dividend Discount Model
 EBIT - Earnings Before Interest and Taxes
 EBITDA - Earnings Before Interest, Taxes, Depreciation & Amortization
 EPS - Earnings Per Share
 EV - Enterprise Value
 FCF - Free Cash Flow
 FFO - Funds From Operations
 FY - Fiscal Year
 P/E - Price/Earnings
 P/NAV - Price to Net Asset Value
 PEG Ratio - P/E-to-Growth Ratio
 PV - Present Value
 R&D - Research & Development
 ROCE - Return on Capital Employed
 ROE Return on Equity
 ROI - Return on Investment
 ROIC - Return on Invested Capital
 ROA - Return on Assets
 SG&A - Selling, General & Administrative Expenses
 SOTP - Sum-of-The-Parts
 WACC - Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes [paid in the country of origin].

Qualitative Risk Assessment

Reflects an equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:**★★★★★ 5-STARS (Strong Buy):**

Total return is expected to outperform the total return of a relevant benchmark, by a notable margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★★ 4-STARS (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months.

★★★★★ 3-STARS (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months.

★★★★★ 2-STARS (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months.

★★★★★ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a notable margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the MSCI AC Europe Index and the MSCI AC Asia Pacific Index, respectively.



Disclosures

Stocks are ranked in accordance with the following ranking methodologies:

STARS Stock Reports:

Qualitative STARS rankings are determined and assigned by equity analysts. For reports containing STARS rankings refer to the Glossary section of the report for detailed methodology and the definition of STARS rankings.

Quantitative Stock Reports:

Quantitative rankings are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative rankings refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

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STARS Stock Reports:

Global STARS Distribution as of March 31, 2025

Ranking	North America	Europe	Asia	Global
Buy	44.8%	34.3%	45.9%	42.9%
Hold	42.9%	52.0%	42.1%	44.5%
Sell	12.4%	13.8%	12.0%	12.6%
Total	100.0%	100.0%	100.0%	100.0%

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