

# Freehold Royalties Announces Third Quarter 2025 Results

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CALGARY, Nov. 13, 2025 - [Freehold Royalties Ltd.](#) (Freehold or the Company) (TSX:FRU) announces third quarter results for the period ended September 30, 2025.

## Third Quarter Highlights

- \$74 million in revenue;
- \$59 million in funds from operations (\$0.36/share) <sup>(1)(2)</sup>;
- \$44 million in dividends paid (\$0.27/share)<sup>(3)</sup>;
- 16,054 boe/d<sup>(4)</sup> of total production, a 10% increase from the third quarter of 2024;
- 10,477 bbls/d of total crude oil and natural gas liquids production, a 12% increase from the third quarter 2024;
- 65% liquids weighting, an increase from 64% in the third quarter of 2024;
- Gross drilling of 282 wells, comprised of 83 wells in Canada and 199 in the U.S. similar levels to the third quarter 2024;
- Continued active leasing program with 34 new leases signed (27 in Canada; 7 in the U.S.) contributing revenue of \$1.7 million and \$7.6 million for the first three quarters of 2025; and
- \$48.92/boe average realized price (\$56.54/boe in the U.S. and \$42.44/boe in Canada);
  - A 33% pricing premium on Freehold's U.S. production reflecting higher liquids weighting, higher quality crude oil and reduced transportation costs.

## President's Message

Freehold's third quarter production averaged 16,054 boe/d, a 10% increase compared to the third quarter of 2024. This growth was primarily driven by a 33% increase in our U.S. production over the same period last year. The December 2024 acquisition in the Permian basin has expanded our production base while in Canada, heavy oil production grew by 13% from the third quarter of 2024. This heavy oil growth is driven by continued drilling activity on our Mannville and Clearwater royalty lands. Gross drilling activity totaled 282 wells, predominately targeting crude oil locations, and was up 4% compared to the second quarter of 2025 and up 1% year-over-year.

We continue to see a trend of improved well productivity across our portfolio as operators focus in on optimizing well placement in the reservoir, advancing drilling efficiencies and lateral length, and enhancing completion designs. In Canada, this shows up as an increasing number of multilateral wells being drilled across multiple reservoir targets, and in the U.S., an increase in horizontal well lengths with average well length now approaching two and half miles, up 12% from a year ago. With this focus by our operators, when compared to our 2024 well drilling results, we are seeing the average well performance in Canada improve by approximately 25%, and in the average well performance in the U.S. improve by approximately 15%.

Our oil focused portfolio, underpinned by investment grade operators in premier North American basins, delivered \$59 million in funds from operations in the quarter, or \$0.36/share<sup>(1)(2)</sup>. The diversification of our liquids-rich production continues to provide stability in cash flows. Our North American exposure has also allowed us to benefit from the relative strength of U.S. natural gas pricing. Our U.S. natural gas was priced at \$2.48/mcf this quarter, or 4.4 times that of our Canadian realized pricing of \$0.56/mcf.

Bonus and leasing revenue remained robust, totalling \$1.7 million during the quarter and a record \$7.6 million in the first three quarters of 2025 compared to \$2.3 million in the first three quarters of 2024. The majority of the bonus and leasing revenue is a result of leasing activity in the Permian basin, and continued leasing across our legacy mineral title lands in Canada.

In the third quarter, we paid \$44 million in dividends to our shareholders while reducing net debt<sup>(2)(5)</sup> by \$7.3

million, representing 1.1x net debt to funds from operations for the trailing 12 months<sup>(2)(5)</sup>. We also invested approximately \$5.8 million in land acquisitions this quarter, primarily purchasing undeveloped mineral title lands in the core of the Permian basin and mineral title and royalty lands in oil focused areas in Canada.

David M. Spyker, President and Chief Executive Officer

## Operating and Financial Highlights

FINANCIAL(\$ millions, except as noted)	Three Months Ended		
	Q3-2025	Q2-2025	Q3-2024
West Texas Intermediate (US\$/bbl)	64.93	63.74	75.09
NYMEX natural gas (US\$/Mcf)	3.18	3.57	2.24
AECO 5A Monthly Index (Cdn\$/Mcf)	0.63	1.69	0.69
Royalty and other revenue	74.4	78.3	73.9
Funds from operations	58.9	56.6	55.7
Funds from operations per share, basic (\$) <sup>(1)(2)</sup>	0.36	0.35	0.37
Dividends paid per share (\$) <sup>(3)</sup>	0.27	0.27	0.27
Dividend payout ratio (%) <sup>(2)</sup>	75%	78%	73%
Long-term debt	283.6	292.6	205.8
Net debt <sup>(5)</sup>	263.3	270.6	187.1
Net debt to funds from operations for the trailing 12 months (times) <sup>(5)</sup>	1.1x	1.1x	0.8x
OPERATING			
Total production (boe/d) <sup>(4)</sup>	16,054	16,584	14,608
Canadian production (boe/d) <sup>(4)</sup>	8,680	9,104	9,075
U.S. production (boe/d) <sup>(4)</sup>	7,374	7,480	5,533
Oil and NGL (%)	65%	67%	64%
Petroleum and natural gas realized price (\$/boe) <sup>(4)</sup>	48.92	50.36	54.36
Cash costs (\$/boe) <sup>(2)(4)</sup>	5.58	7.38	5.42
Netback (\$/boe) <sup>(2) (4)</sup>	42.82	42.68	47.78
ROYALTY INTEREST DRILLING(gross / net)			
Canada	83 / 3.2	45 / 1.1	96 / 5.5
U.S.	199 / 0.7	226 / 0.6	182 / 0.8

## Dividend Announcement

The board of directors of Freehold has declared a monthly dividend of \$0.09 per share to be paid on December 15, 2025, to shareholders of record on November 28, 2025. The dividend is designated as an eligible dividend for Canadian income tax purposes.

## Drilling and Leasing Activity

In total, 282 gross wells (3.9 net wells) were drilled on Freehold's royalty lands during the third quarter of 2025, an increase of 4% (128% on a net basis) compared to the previous quarter.

Overall, drilling was oil focused. Approximately 30% of gross wells drilled were in Canada and 70% were in the U.S.

	Three Months Ended					
	Q3-2025		Q2-2025		Q3-2024	
	Gross Net <sup>(1)</sup>		Gross Net <sup>(1)</sup>		Gross Net <sup>(1)</sup>	
Canada	83	3.2	45	1.1	96	5.5
United States	199	0.7	226	0.6	182	0.8

Total	282	3.9	271	1.7	278	6.3
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(1) Equivalent net wells are aggregate of the numbers obtained by multiplying each gross well by our royalty interest percentage; U.S. wells on Freehold's lands generally come on production at approximately 10 times the volume that of an average Canadian well in our portfolio.

## Canada

During the third quarter of 2025, 83 gross (3.2 net) wells were drilled on our Canadian lands, up 84% on a gross basis and 190% on a net basis compared to the prior quarter. The increase in drilling activity was primarily due to the resumption of drilling after spring break-up in the second quarter of 2025. Drilling was focused on our oil weighted plays including southeast Saskatchewan (26 gross wells), Mannville heavy oil (17 gross wells), and the Viking (9 gross wells). During the first nine months of 2025, 12 gross Montney and Duvernay wells were drilled, with an additional 19 wells licensed.

Freehold entered into 27 new leases with 11 counterparties during the third quarter of 2025, totalling approximately \$0.8 million (\$2.1 million for the first nine months of 2025) in bonus and lease rental revenue. The majority of the new leasing was in southeast Saskatchewan.

## U.S.

In the U.S., 199 gross (0.7 net) wells were drilled on Freehold's lands during the third quarter of 2025. Approximately 92% of drilling was in the Permian basin and 8% in the Eagle Ford basin. U.S., gross drilling activity on Freehold's lands decreased by 12%, while net drilling increased 17%, compared to the prior quarter due to the timing of activity by the Company's key operator in the Eagle Ford basin offset by higher royalty interest wells drilled in the Permian basin in the third quarter.

Freehold's most significant U.S. payors include ConocoPhillips, ExxonMobil, Occidental Petroleum and Devon Energy remain active with their drilling programs.

During the third quarter of 2025, Freehold entered into seven new U.S. leases with five counterparties, totalling \$0.9 million (\$5.5 million in the first nine months of 2025) of bonus and lease rental revenue. Leasing activity was primarily in the Permian basin targeting the deeper Barnett formation.

## Credit Facility Increase

On November 13, 2025, Freehold renewed and amended its credit facilities with its existing syndicate of four Canadian banks. The amended credit facilities have been increased from \$450 million to \$500 million, including an increase to the committed facility to \$480 million and an operating facility of \$20 million. The agreement also carries an option to increase the revolving facility by an additional \$100 million subject to the consent of the lenders. The credit facilities mature November 13, 2028.

## Investor Call Details

A webcast to discuss financial and operational results for the period ended September 30, 2025, will be held for the investment community on Friday November 14, 2025, beginning at 9:30 AM MT (11:30 AM ET).

For investors wanting to join the call, please register in advance:  
<https://register-conf.media-server.com/register/BlA70358a207164cd2bca2fcd6b4aefeeb>.

Once registered, you will receive a unique PIN to access the call by phone.

A live audio webcast will be accessible through the link below and on Freehold's website under "*Events & Presentations*" on Freehold's website at [www.freeholdroyalties.com](http://www.freeholdroyalties.com). To participate in the conference call in a listen only mode, you can register using the following link: Live Audio Webcast URL:

<https://edge.media-server.com/mmc/p/yw96asca>.

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#### Select Quarterly Information

	2025			2024			2023	
Financial (\$millions, except as noted)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Royalty and other revenue	74.4	78.3	91.1	76.9	73.9	84.5	74.3	80.1
Net Income (loss)	34.2	6.2	37.3	51.1	25.0	39.3	34.0	34.3
Per share, basic (\$) <sup>(1)</sup>	0.21	0.04	0.23	0.33	0.17	0.26	0.23	0.23
Cash flows from operations	60.0	57.4	62.9	59.1	64.1	47.6	52.5	70.7
Funds from operations	58.9	56.6	68.1	61.3	55.7	59.6	54.4	62.8
Per share, basic (\$) <sup>(1)(3)</sup>	0.36	0.35	0.42	0.40	0.37	0.40	0.36	0.42
Acquisitions & related expenditures	5.8	15.2	13.9	27.7	10.8	11.5	121.5	2.1
Dividends paid	44.3	44.3	44.3	40.7	40.7	40.7	40.7	40.7
Per share (\$) <sup>(2)</sup>	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Dividends declared	44.3	44.3	44.3	41.9	40.7	40.7	40.7	40.7
Per share (\$) <sup>(2)</sup>	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Dividend payout ratio (%) <sup>(3)</sup>	75%	78%	65%	66%	73%	68%	75%	65%
Long-term debt	283.6	292.6	294.3	300.2	295.8	228.0	223.6	123.0
Net debt <sup>(5)(6)</sup>	263.3	270.6	272.2	282.1	287.1	199.1	210.5	100.9
Shares outstanding, period end (000s)	164.0	164.0	164.0	164.1	150.7	150.7	150.7	150.7
Average shares outstanding, basic (000s) <sup>(7)</sup>	164.0	164.0	164.0	153.1	150.7	150.7	150.7	150.7
Operating								
Light and medium oil (bbl/d)	6,661	6,940	6,880	6,296	6,080	6,551	6,094	6,308
Heavy oil (bbl/d)	1,481	1,557	1,552	1,516	1,315	1,348	1,300	1,182
NGL (bbl/d)	2,335	2,550	2,203	2,066	1,972	1,902	1,884	1,878
Total liquids (bbl/d)	10,477	11,047	10,635	9,878	9,367	9,801	9,278	9,368
Natural gas (Mcf/d)	33,459	33,220	33,678	32,584	34,447	32,524	32,617	32,968
Total production (boe/d) <sup>(4)</sup>	16,054	16,584	16,248	15,306	16,008	15,221	14,714	14,863
Oil and NGL (%)	65%	67%	65%	65%	64%	64%	63%	63%
Petroleum & natural gas realized price (\$/boe) <sup>(4)</sup>	48.92	50.36	59.29	53.8	54.36	59.74	54.81	57.94
Cash costs (\$/boe) <sup>(3)(4)</sup>	5.58	7.38	7.00	5.9	5.42	9.80	7.19	4.73
Netback (\$/boe) <sup>(3)(4)</sup>	42.82	42.68	53.01	47.2	47.78	49.44	46.62	52.59
Benchmark Prices								
West Texas Intermediate crude oil (US\$/bbl)	64.93	63.74	71.42	70.2	75.09	80.57	76.96	78.32
Exchange rate (Cdn\$/US\$)	1.38	1.38	1.43	1.40	1.37	1.37	1.35	1.36
Edmonton Light Sweet crude oil (Cdn\$/bbl)	86.39	84.25	95.32	94.9	97.85	105.29	92.14	99.69
Western Canadian Select crude oil (Cdn\$/bbl)	75.10	73.96	84.30	80.7	83.95	91.63	77.77	76.96
Nymex natural gas (US\$/Mcf)	3.18	3.57	3.79	2.8	2.24	1.96	2.33	2.98
AECO 5A Monthly Index (Cdn\$/Mcf)	0.63	1.69	2.17	1.4	0.69	1.18	1.80	2.60

(1) Calculated based on the basic weighted average number of shares outstanding during the period

(2) Based on the number of shares issued and outstanding at each record date

(3) See Non-GAAP and Other Financial Measures

(4) See Conversion of Natural Gas to Barrels of Oil Equivalent (boe)

(5) The 2023 reported balances have been restated due to the retrospective adoption of IAS 1 (see note 3d)

of December 31, 2024 audited consolidated financial statements)

(6) Net debt is a capital management measures; see Non-GAAP and Other Financial Measures

(7) Weighted average number of shares outstanding during the period, basic

### Forward-Looking Statements

This news release offers our assessment of Freehold's future plans and operations as of July 30, 2025, and contains forward-looking statements that we believe allow readers to better understand our business and prospects. These forward-looking statements include our expectations for the following:

- our expectations that the ongoing trend of improved well productivity across our portfolio will continue;
- future dividends and the declaration and payment dates related thereto; and
- other similar statements.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control, including general economic conditions, volatility in market prices for crude oil, NGL and natural gas, risks and impacts of tariffs (or other retaliatory trade measures) imposed by Canada or the U.S. (or other countries) on exports and/or imports into and out of such countries, inflation and supply chain issues, the impacts of the ongoing Middle-East conflicts, Russia-Ukraine war (and any associated sanctions) and actions taken by OPEC+ on the global economy and commodity prices, geopolitical instability, political instability, industry conditions, volatility of commodity prices, future production levels, future capital expenditure levels, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, inaccurate assumptions on supply and demand factors affecting the consumption of crude oil, NGLs and natural gas, inaccurate expectations for industry drilling levels on our royalty lands, the failure to complete acquisitions on the timing and terms expected, the failure to satisfy conditions of closing for any acquisitions, the lack of availability of qualified personnel or management, stock market volatility, our inability to come to agreement with third parties on prospective opportunities and the results of any such agreement and our ability to access sufficient capital from internal and external sources. Risks are described in more detail in our Annual Information Form for the year-ended December 31, 2024, available at [www.sedarplus.ca](http://www.sedarplus.ca).

With respect to forward-looking statements contained in this news release, we have made assumptions regarding, among other things, future commodity prices, future capital expenditure levels, future production levels, future exchange rates, future tax rates, future legislation, the cost of developing and producing our assets, the quality of our counterparties and the plans thereof, our ability and the ability of our lessees to obtain equipment in a timely manner to carry out development activities, our ability to market our oil and gas successfully to current and new customers, the performance of current wells and future wells drilled by our royalty payors, our expectation for the consumption of crude oil and natural gas, our expectation for industry drilling levels, our expectation for completion of wells drilled, our ability to obtain financing on acceptable terms, shut-in production, production additions from our audit function, our ability to execute on prospective opportunities and our ability to add production and reserves through development and acquisition activities.

You are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Our actual results, performance, or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them. The forward-looking information contained in this document is expressly qualified by this cautionary statement. To the extent any guidance or forward-looking statements herein constitute a financial outlook, they are included herein to provide readers with an understanding of management's plans and assumptions for budgeting purposes and readers are cautioned that the information may not be appropriate for other purposes. Our policy for updating forward-looking statements is to update our key operating assumptions quarterly and, except as required by law, we do not undertake to update any other forward-looking statements.

You are further cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards (IFRS), which are the Canadian generally accepted accounting principles (GAAP) for publicly accountable enterprises, requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on net income, as further information becomes available and as the economic environment changes.

To the extent any guidance or forward-looking statements herein constitutes a financial outlook, they are included herein to provide readers with an understanding of management's plans and assumptions for budgeting purposes and readers are cautioned that the information may not be appropriate for other purposes. You are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on net income, as further information becomes available and as the economic environment changes.

#### Conversion of Natural Gas to Barrels of Oil Equivalent (boe)

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (boe). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

#### Non-GAAP and Other Financial Measures

Within this news release, references are made to terms commonly used as key performance indicators in the oil and gas industry, which do not have any standardized means prescribed by Canadian generally accepted accounting principles (GAAP). We believe that netback and cash costs and dividend payout ratio and funds from operations per share are useful non-GAAP financial measures and supplementary financial measures, respectively, for management and investors to analyze operating performance, financial leverage, and liquidity, and we use these terms to facilitate the understanding and comparability of our results of operations. However, these as terms do not have any standardized meanings prescribed by GAAP, such terms may not be comparable with the calculations of similar measures for other entities. This news release also contains the capital management measures net debt and net debt to funds from operations for the trailing 12 months, as defined in note 14 to the unaudited consolidated financial statements as at and for the three months ended June 30, 2025.

Netback, which is also calculated on a boe basis, as average realized price less production and ad valorem taxes, operating expenses, general and administrative expense, cash-based management fees, cash-based interest charges and share-based payouts, represents the per boe netback amount which allows us to benchmark how changes in commodity pricing, net of production and ad valorem taxes, and our cash-based cost structure compare against prior periods.

Cash costs, which is calculated on a boe basis, is comprised by the recurring cash-based costs, excluding taxes, reported on the statements of operations. For Freehold, cash costs are identified as operating expense, general and administrative expense, cash-based interest charges, cash-based management fees and share-based compensation payouts. Cash costs allow Freehold to benchmark how changes in its manageable cash-based cost structure compare against prior periods.

The following table presents the computation of Cash costs and Netback:

\$/boe	Q3-2025	Q2-2025	Q3-2024
Royalty and other revenue	50.35	51.87	54.97
Production and ad valorem taxes	(1.95)	(1.81)	(1.77)
Net revenue	\$48.40	\$50.06	\$53.20
Less:			
General and administrative expense	(2.51)	(2.79)	(2.48)
Operating expense	(0.11)	(0.13)	(0.19)
Interest and financing cash expense	(2.96)	(2.95)	(2.69)
Management fee-cash settled	-	(0.01)	(0.06)

Cash payout on share-based compensation	-	(1.50)	-
Cash costs	(5.58)	(7.38)	(5.42)
Netback	\$42.82	\$42.68	\$47.78

Dividend payout ratios are often used for dividend paying companies in the oil and gas industry to identify dividend levels in relation to funds from operations that are also used to finance debt repayments and/or acquisition opportunities. Dividend payout ratio is a supplementary measure and is calculated as dividends paid as a percentage of funds from operations.

(\$000s, except as noted)	Q3-2025	Q2-2025	Q3-2024
Dividends paid	\$44,269	\$44,270	\$40,686
Funds from operations	\$58,854	\$56,600	\$55,712
Dividend payout ratio (%)	75%	78%	73%

Funds from operations per share, which is calculated as funds from operations divided by the weighted average shares outstanding during the period, provides direction if changes in commodity prices, cash costs, and/or acquisitions were accretive on a per share basis. Funds from operations per share is a supplementary measure.

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