



3 Reasons to Buy This Top Gold Stock Ahead of its Q4 Earnings

Description

Gold-mining stocks have been rallying for the last few months now. Higher gold prices and strong quarterly earnings mainly fueled the steep climb in these gold stocks. I think one gold miner stock still has a long way to go, and that is **B2Gold Corp** ([TSX:BTO](#))(NYSE:BTG).

Strong quarterly earnings

B2Gold plans to report its Q4 2019 earnings on February 28. Many peer gold-mining companies have reported a notable surge in their bottom lines this earnings season. Analysts expect a strong increase in B2Gold's earnings as well in the quarter that ended December 31, 2019.

Higher realized gold prices during the quarter could positively impact its performance. BTO stock has already started showing great momentum. I think the momentum will likely continue next week as well. It should be noted that gold prices have continued to trade stronger this year. Thus, an upbeat commentary for 2020 from the company management will further cheer investors.

In the last three years, B2Gold has managed to increase its revenues by 21% compounded annually. Its profits grew by around 30% in the same period. The company aims to produce 1,000,000 ounces and 1,055,000 ounces of gold in 2020, almost 5% higher than in 2019.

B2Gold paid its first dividend to shareholders in December 2019. It could be interesting for income-seeking investors, as the company expects to pay dividends throughout 2020.

Attractive valuation

B2Gold stock has soared almost 45% in the last 12 months. It is currently trading at its 52-week high close to \$6. Thus, many investors will ask, would it be prudent to enter at these levels? Also, some would ask why not some gold-mining giants such as **Barrick Gold**? Valuation is the answer to both these questions.

B2Gold stock is trading at a price-to-earnings valuation of 14 times its estimated earnings for the next 12 months. At the same time, B2Gold's large-sized peer Barrick Gold is trading at 28 times its next year's earnings. **Kinross Gold** stock is trading 15 times its forward earnings. Thus, B2Gold stock looks attractive against its peers.

Notably, both [Barrick Gold](#) and Kinross reported impressive Q4 results last week. Both these stocks rallied after that and are currently trading at their respective 52-week highs.

Rising geopolitical tensions

While fears of a significant market downturn seem to have relatively waned, it doesn't look like we are completely out of the woods yet. Global trade tensions and other geopolitical tensions pose a serious threat to markets, which are already trading at record highs.

Investors turn to traditional safe havens like gold in such times. It eventually boosts gold miner stocks as well, given their positive correlation with the yellow metal.

Apart from the stock's direct correlation, higher gold prices could continue to benefit gold miners' earnings in the next few quarters as well. Thus, gold mining companies and investors will likely have a bright and cheerful 2020.

Conclusion

A strong asset base and higher production combined with superior gold prices could bode well for B2Gold's earnings. It is a low-cost producer with a strong financial position. More passive-income-seeking investors will likely turn to B2Gold now, as the company recently started paying dividends. It also has the potential for a dividend increase in the long term. Thus, ahead of its Q4 earnings, [B2Gold stock brings an attractive opportunity](#) for long-term investors.

CATEGORY

1. Investing
2. Metals and Mining Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)

PARTNER-FEEDS

1. Business Insider
2. Msn

3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing
2. Metals and Mining Stocks

Tags

1. Editor's Choice

Date

2025/08/26

Date Created

2020/02/20

Author

vinitkularni20

default watermark

default watermark