



Wheaton Stock: These Factors Make it a Great Buy Today

Description

Early in the onset of the pandemic, **Wheaton Precious Metals** ([TSX:WPM](#))([NYSE:WPM](#)) more than doubled the company's budget for charitable giving with the launch of a COVID-19 relief fund, primarily focused on supporting the front-line workers in the communities around the mines from which it receives metal. The company worked closely with mining partners to ensure that the companies were able to [maintain operations](#) while protecting the health and safety of employees.

Dividend raise and de-leveraging

Further, Wheaton's corporate development team found creative ways to complete due diligence and to add accretive new streams to the company's portfolio. Even with this growth, Wheaton was able to raise the company's dividend by over 30% during 2020 as well as reduce net debt to nearly zero by the end of the year.

As a result of these efforts and [favourable commodity prices](#), Wheaton delivered value to shareholders with the company's share price increasing by over 40% over the past year. At Wheaton, the welfare of the company's employees, mining partners, and the communities surrounding its underlying assets appears to be a top priority of the company.

Long mine life and geographical diversity

Also, Wheaton's mining partners responded quickly with the adoption of new protocols and measures to reduce risk and ensure safe operations and minimal impact to production. Wheaton's assets have over 30 years of mine life based on reserves and a healthy resource base with significant potential for organic growth.

Gold's attraction as a safe haven in times of uncertainty has recently seen the metal reach new all-time highs. Silver soon followed with gains and has gone on to reach the metal's highest levels since the most recent significant price rally almost a decade ago. This resulted in Wheaton recording revenue of over \$1 billion, \$765 million in cash flow generation, and a record dividend distribution of approximately

\$190 million. The benefits and value of having a high-quality, geographically diversified portfolio of low-cost assets were especially apparent to Wheaton in the recent past.

Leveraged to increasing commodity prices

Despite the numerous challenges posed by the pandemic, Wheaton's portfolio has demonstrated resiliency with production coming in at the higher end of the company's adjusted guidance range with over 670 thousand gold equivalent ounces produced. During 2020, Wheaton produced 367 thousand ounces of gold, 22.9 million ounces of silver, and 22 thousand ounces of palladium.

Wheaton's leverage to these increasing commodity prices coupled with the company's solid production base resulted in record revenue of over \$1 billion, \$765 million in cash flow generation, and record dividend distribution of approximately \$190 million to shareholders. Despite travel restrictions, Wheaton's corporate development team appeared to be busier than ever in 2020. The company reported that the team closed out two streaming agreements and reviewed hundreds of other opportunities.

Overall, Wheaton has quickly adapted to the new environment and developed virtual methods for due diligence, which allowed it to continue to review potential new acquisitions with the same rigor as the company's usual process. This agility is likely to serve it well in the years and decades to come, and shareholders should be rewarded handsomely.

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