



Barrick Gold Stock Climbs 20% on Earnings and \$1 Billion Buyback Program

Description

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) shares have risen 20% in the last week ahead of earnings and continue to climb after the gold mining giant announced a huge buyback program.

What happened?

Barrick stock climbed after announcing a share buyback of up to \$1 billion during its fourth-quarter results. The results beat analyst estimates, as the company saw a huge improvement in its Nevada mines. Net earnings more than doubled to US\$726 million, with adjusted earnings per share at US\$0.35. These beat out analyst [estimates](#) of US\$0.30 per share.

Even with the share price increase, management believes it doesn't reflect the Barrick stock's full value. Shares climbed back in 2020, as gold prices rose during the pandemic. However, those shares have fallen as growth stocks seemed to be taking the lead.

So what?

This shows that Barrick stock is confident in its future as a heavy-hitter [miner](#). The company merged with Randgold Resources and Newmont Gold in 2018 and 2019, respectively. This created a powerhouse of global gold production, demonstrated in the company's earnings.

Revenue rose during the quarter by 0.9% year over year to US\$3.31 billion, beating estimates of US\$3.2 billion. The bad news is, costs rose by 5%, and the price per ounce of gold fell to US\$1,793 from US\$1,871 last year. Still, Barrick stock managed to prove it can roll with the punches.

Barrick stock actually increased its dividend by \$0.10 per share, an 11% increase from today's dividend. It also added a performance dividend policy. So, now, an additional dividend will be linked to the cash on the company's balance sheet.

Now what?

Analysts were quite impressed by the results and subsequent buyback program and, of course, the dividend. Many raised their targets for Barrick stock, which, as of writing sits at \$33 per share. The company remains a top recommendation, being added in some cases as an “action list buy.”

With [inflation](#) climbing higher and interest rates rising, it’s never been a better time to get back into gold. And according to analysts, the best bet could be placed on Barrick stock today.

Shares of Barrick stock are up 16% in the last year, and 26% in the last month. It currently trades at 20.53 times earnings and 1.59 times book value.

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