



Agnico Eagle Mines Stock: The Best Value Stock on the TSX Today

Description

Agnico Eagle Mines ([TSX:AEM](#))([NYSE:AEM](#)) could be the most valuable stock on the **TSX** today. But it certainly has some competitors, even within the mining industry itself. As earnings are due on February 23, let's look at why Motley Fool investors may want to consider the stock ahead of the earnings release.

Kirkland merger

Of course, one of the biggest bonuses for AEM stock is the [merger](#) with **Kirkland Lake**. The merger completed on February 8, and the pair are now listed under the same ticker of AEM. About 209,274,263 common shares were issued to former Kirkland Lake shareholders, and the new AEM has a market capitalization of \$31.71 billion as of writing.

Analysts continue to weigh in on the merger and absolutely love it. In fact, even after shares improved from the completed merger and kept rising, today's share price remains far below the target price. Analysts give it a consensus estimate of \$101 per share. That's a potential upside of 46% as of writing.

AEM stock now offers the highest-quality senior gold production in the industry, all while staying at the lowest unit costs and highest margins. The company now has lots of financial flexibility, and this helps in the development of its growth pipeline of projects. All that to say it will mostly likely continue to grow, while maintaining a strong balance sheet.

Earnings estimates

Earnings estimates continue to roll in, but AEM stock holders may see the company beat those estimates. The gold miner is expected to post quarterly earnings of US\$0.56 per share, which would be down 16.4% year over year. Revenue should improve by 0.5% to US\$932.93 million.

But the thing is, large gold miners continue to announce earnings, and they've almost all been above estimates. And that could indeed be the case for AEM stock as well. Even if it falls in line with [estimates](#)

, it now has Kirkland on board. That will certainly boost the quarter after if not this next announcement.

During the last quarter, AEM stock reported net income of US\$114.5 million, coming in at US\$0.47 per share. This was a decrease from the year before, from US\$222.7 million or US\$0.92 per share.

A top value play

So why would Motley Fool investors consider AEM stock ahead of [earnings](#)? Well, if the company does well, shares should continue to climb toward the target price. But even if it aligns with estimates, the next quarter will be huge for this company. Now that it has Kirkland on the books, there is going to be a massive year-over-year increase in production.

Meanwhile, the company is a steal. It currently trades at 20.8 times earnings, and 4.04 times book value. Shares are down 8% in the last year, but have popped up 21% in the last few weeks. As more analysts weigh in and earnings get closer, shares of AEM stock may not remain down for long. So lock in a valuable share price and 2.72% dividend yield while you still can. Because AEM may just be the next big thing in the gold mining industry.

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Date

2025/08/15

Date Created

2022/02/18

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