



## SSR Mining Stock Gains 7.5% After Q1 Results

### Description

Shares of Canada-based [gold mining company](#), **SSR Mining** ([TSX:SSRM](#))([NASDAQ:SSRM](#)) rose by 7.5% yesterday after it announced Q1 results for 2022. In the quarter ended in March, SSR Mining reported revenue of US\$335.45 million and adjusted earnings of US\$0.30 per share.

Comparatively, Wall Street forecast the company to report revenue of US\$309 million and adjusted earnings of US\$0.29 per share in the quarter. In the year-ago period, its revenue stood at US\$366.48 million. SSR managed to beat revenue and earnings estimates in Q1, which resulted in an uptick in share prices.

In Q1, SSR Mining delivered gold equivalent production of 173,675 ounces at an all-in sustaining cost (AISC) of US\$1,093/ounce, which positions it well against full-year guidance. It had previously forecast to produce between 700,000 and 780,000 gold equivalent ounces at an AISC between US\$1,120 and US\$1,180 per gold equivalent ounce.

Let's see what impacted SSR Mining's financials in Q1.

## SSR Mining reported an operating cash flow of \$62.2 million

In Q1 of 2022, SSR Mining reported [operating cash flow](#) of US\$62.2 million and free cash flow of US\$27.7 million. Its free cash flow was impacted by several factors that included increased tax and royalty payments as well as increased working capital outlays. Its adjusted net income stood at US\$65.9 million in the March quarter.

The company ended Q1 with a cash balance of US\$999 million after it allocated US\$17.8 million towards scheduled debt repayments and US\$30.8 million in dividends to joint-venture partners.

Its net cash at the end of the quarter stood at US\$680.6 million, allowing the board of directors to approve a 40% dividend increase, translating to a quarterly payout of US\$0.07 per share. Given an annual dividend payout of US\$0.28 per share, SSR Mining offers investors a forward yield of 1.25%.

SSR Mining also produced 1.3 million ounces of silver at cash costs of US\$13.06 per ounce and an AISC of US\$14.67 per ounce. It remains on track to achieve its full-year guidance for silver mining production as well.

## What's next for SSR stock and investors?

SSR Mining has a diversified portfolio of high-quality, long-life operating assets. It has a robust balance sheet with a significant net cash position, which supports organic growth and allows the company to enhance shareholder wealth via dividends and buybacks. In 2021, SSR Mining repurchased shares worth US\$150 million.

It has more than 20 near-mine and standalone exploration properties and an attractive portfolio of high-return, low-cost growth opportunities. In 2021, its cash flow yield stood at 11.9% compared to a 3.2% yield for its mid-cap peer group.

Its strong fundamentals and volatile macro-environment have allowed SSR Mining stock to return 34% to shareholders in the last year, easily outpacing the broader markets.

Valued at a market cap of US\$4.81 billion, SSR Mining is forecast to report revenue of US\$1.55 billion in 2022 with adjusted earnings per share of US\$1.43. So, it's trading at a forward price-to-sales multiple of three and a price-to-earnings ratio of 15.8, which is quite reasonable.

The company's low-cost structure will allow it to benefit from higher profit margins if gold prices gain momentum going forward. Given consensus price target estimates, SSR stock is trading at a discount of 26% right now.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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