

Silvercorp Metals Inc

06:04 10 Feb 2020

Roth hikes price target on Silvercorp Metals following 3Q results

Broker Roth has repeated a 'Buy' and hiked the price target on China-focused miner Silvercorp Metals Inc (NSYEAMERICAN:SVM) (TSX:SVM) following the group's third-quarter results last week.

Silvercorp produces silver, lead and zinc metals in concentrates from mines in China and revealed that the amount of ore mined was up 1% to 262,586 tons, compared to the prior-year quarter.

READ: Silvercorp Metals fiscal 3Q revenue jumps 5% to \$44.5M on strong production

Revenue for the three months ending in December was up 5% to \$44.5 million compared to the same period a year earlier.

The firm also ended the year with a strong balance sheet with \$155.1 million in cash and equivalents and short-term investments. This was an increase of \$19.9 million or 15% compared to \$135.2 million as of September 30 last year.

The miner's fiscal 2021 production guidance represented an increase of around 2% to 7% in silver production, 2% to 5% in lead production, and 12% to 22% in zinc production compared to current fiscal 2020 guidance. Capital expenditure guidance was above expectations at \$42.4 million for the full year.

"Results were slightly below expectations mainly due to metals pricing," noted analyst Joe Reagor.

"Additionally, SVM provided initial fiscal 2021 guidance with slightly higher than anticipated capital expenditures. However, these factors were more than offset by the increase in valuation of the company's investments," he added.

Therefore, said Reagor, Roth has lifted the price target to US\$6 from US\$5.50 and reiterated its 'Buy' rating.

Shares are up 6.3% to US\$4.20 in New York.

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Price: 6.54

Market Cap: \$1.14 billion

1 Year Share Price Graph



Share Information

Code: SVM

Listing: TSX

52 week	High	Low
	7.69	2.12

Sector: Gold & silver

Website: www.silvercorp.ca

Company Synopsis:

Silvercorp is a low-cost silver-producing Canadian mining company with multiple mines in China. The Company's vision is to deliver shareholder value by focusing on the acquisition of under developed projects with resource potential and the ability to grow organically. For more information, please visit our website at www.silvercorpmetals.com.

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