



Catamaran and Constellation Software Up Big After Earnings

Description

Two of the Canadian market's somewhat unheralded best performers over the last 5 years or so were padding their returns on Thursday. Both **Catamaran** (TSX:CCT,NASDAQ:CTRX) and **Constellation Software** (TSX:CSU) were up by about 9% in early afternoon trading after both companies dazzled investors with their quarterly releases.

Catamaran reported adjusted EPS of \$0.49, which handily beat the consensus estimate of \$0.44. In addition, the company raised its full-year EPS guidance to \$1.87-\$1.92 vs. the consensus of \$1.84. Tough to go wrong with the ol' "beat and raise"!

The company also announced the acquisition of Restat, one of the largest privately held pharmacy benefit managers in the U.S. The cost of the acquisition was \$409.5 million cash and it's expected to add \$45 million in EBITDA to the company on an annual basis.

Constellation's results were similarly strong as the company blew away consensus top and bottom line expectations. Revenues checked in at \$298.2 million vs. the estimates at \$269 million and normalized earnings were \$2.36 vs. consensus estimates of \$1.89. Stronger than expected organic growth of 6% vs. 0% in the first quarter was one of the drivers behind these market beating results.

The Foolish Bottom Line

With so much of emphasis in the Canadian market placed on resource oriented stocks, it's easy for great businesses like Catamaran and Constellation to go undiscovered for long periods of time. It's only after they've increased in value by 5 or 10 times that they begin drawing attention. Of course, by then, the big money has already been made.

We think we've uncovered another Catamaran or Constellation and have made it our small-cap pick for 2013. Simply [click here now](#) to download a copy of this **FREE** report and find out which Canadian company we think has a shot at similar long-term returns.

The Motley Fool's purpose is to help the world invest, better. [Click here now](#) for your free subscription to **Take Stock**, The Motley Fool Canada's free investing newsletter. Packed with stock ideas and investing advice, it is essential reading for anyone looking to build and grow their wealth in the years ahead.

[Follow us on Twitter](#) and [Facebook](#) for the latest in Foolish investing.

Fool contributor Iain Butler does not own shares in any of the companies mentioned. The Motley Fool owns shares in Catamaran.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)

Category

1. Investing

Date

2025/08/16

Date Created

2013/08/01

Author

tmfohcanada

default watermark

default watermark