



## 3 Stocks Off the Beaten Path

### Description

As investors it is easy to focus on the top 20 stocks or so on the TSX, but doing so can mean missing out on lesser known successful companies. Smart investors know how to diversify themselves and keep an eye open for hidden gems amongst the tickers.

#### Cascades ([TSX:CAS](#))

If, like me, your first impression of a box manufacturer is based on an episode of *The Simpsons*, then you may not think boxes are all that interesting or investable. But then you would be unaware of Quebec-based Cascades Inc., known as a leading producer and recycler of tissue paper and packaging products, with over 100 production facilities across Canada, the U.S. and Europe.

Revenues have been steadily climbing and its recently released year-end financials saw overall revenues increase to \$3.8 billion in 2013 up from \$3.6 billion in 2012. EBITDA climbed in 2013 to \$352 million from \$304 million in 2012. The company has been steadily growing and has even begun to enter into [strategic partnerships](#) to grow its overall market share.

The stock closed on Friday at \$7.20, and is trading in a 52-week range of \$4.15 to \$7.42. Recently, analysts at Desjardins upgraded the stock to “buy” at set a target price of \$8.50.

#### Transforce ([TSX:TFI](#))

Transforce is a trucking and courier services conglomerate that has been one of the busiest companies in Canada when it comes to takeovers and buyouts. To put this in perspective, Transforce has acquired over 35 companies since 1992, including Dynamex, Loomis Express, ICS Courier, the Canadian assets of DHL, and most recently [Vitran](#). This gives the company a massive footprint with 51 subsidiaries in trucking, courier services and specialized service industries.

Revenues in 2013 took a slight step back, coming in a \$3.11 billion, just shy of 2012’s \$3.14 billion. Net income also fell in 2013, hitting \$101 million, down from \$154 million in 2012. Like many companies the harsh winter has ratcheted up fuel costs, and the company ended its Canadian rig moving operations.

While the company may have stumbled in 2013, it possess such a large market share in Canada and it can easily recover from a weak year, especially as the manufacturing sector looks forward to a lower dollar and will be depending on Transforces' services more.

The stock closed on Friday at \$23.11, and is trading in a 52-week range of \$18.25 to \$25.88.

### **Parkland Fuels ([TSX:PKI](#))**

If you don't recognize the name Parkland Fuels Corporation, you may recognize one of its regional subsidiaries, which include Bluewave Energy, Columbia Fuels, Neufield Petroleum & Propane, Island Petroleum, Fas Gas Plus, Race Trac Gas and SPF Energy. Combined, Parkland Fuels is one of the nation's [fastest growing](#) consumer direct fuel suppliers. With a presence in most provinces, it now also operates in North and South Dakota, Montana, Minnesota, and Wyoming.

Revenues took a huge leap in 2013 coming in at \$5.7 million, up from \$4.1 million in 2012. Net earnings for 2013 were \$92.0 million, an increase of \$7.1 million in 2012 which saw net earnings of \$84.9 million. This growth was fueled by a 57% increase in total fuel volumes moved in 2013.

The stock closed on Friday at \$21.57, and is trading in a 52-week range of \$15.55 to \$21.99. It offers a monthly\* dividend a hair under \$0.09 and annually yields 4.8%.

### **Foolish bottom line**

While it may be easier to focus on the more popular stocks in the TSX, there are gains to be made by seeking out lesser known, well operated companies. These three companies are just a snapshot of what is available to investors looking to have a portfolio that stands out from the rest.

*\* – a previous version of this post indicated Parkland paid a quarterly dividend of \$0.09. Sorry for any confusion this may have caused.*

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. TSX:CAS (Cascades Inc.)
2. TSX:PKI (Parkland Fuel Corporation)
3. TSX:TFII (TFI International)

### **Category**

1. Investing

### **Date**

2025/08/24

### **Date Created**

2014/03/18

### **Author**

cameronconway

default watermark