



This Energy Company's Stock Price Has Nearly Doubled Since January; Can it Keep Going Up?

Description

Here in Canada we have no shortage of investment options when it comes to energy companies. That it makes it all the more important to know which of these companies still has room for some substantial growth, especially in the short term.

Now with Brent crude prices rising over the U.S.\$114 mark, investors are clamouring to pick up some stocks. It is easy to just run out and pick up an oil company like **Suncor Energy** ([TSX: SU](#))([NYSE: SU](#)), but there are other ways investors can double up on their energy investments.

That leads us to this company with over 50 years of operations. It has seen its stock go from \$37.01 back in early January to \$58.69 on Monday. That's an increase of \$21.97 per share for investors that loaded up at the stock's 52-week low point.

ShawCor Ltd.

The company, **ShawCor Ltd.** (TSX: SCL), is an energy services business that works in tandem with exploration and production, pipeline, petrochemical, and industrial companies.

ShawCor began over 50 years ago as a pipe coater, but now it is spread out over eight divisions in Canada, the U.S., Singapore, the UK, Italy, Argentina, Brazil, and Mexico. Along with pipe coating, ShawCor's subsidiaries also provide spoolable pipes, joint protection systems, tubular management services, wire and cables, and pipeline inspection services.

However, its principal operation remains pipeline coating, which includes painting, thermal insulation, anti-corrosion, and more efficient internal flow. For investors, this company is directly tied to the growth of new oil and gas fields. There is no shortage of work available for ShawCor considering the first round of federal approval to the **Enbridge** ([TSX: ENB](#))([NYSE: ENB](#)) Northern Gateway pipeline, combined with the expansive growth of oil production in Alberta and Newfoundland — and that is only for its Canadian operations.

In an effort to continually expand its services, ShawCor recently acquired Desert NDT for U.S.\$260

million. Based in Houston, Desert NDT provides non-destructive testing services for pipeline and infrastructure management operations. Through its 18 branches, Desert NDT brought in an EBITDA of \$33 million in the past 12 months. This will help push up ShawCor's revenue, which was \$479 million in the past quarter, up from \$454 million during the same period last year.

So can it keep rising?

Despite the meteoric rise of ShawCor's stock in the past six months, analysts are convinced there is still some room for growth. The average price target right now is \$63.60, but some analysts are projecting the price to go as high as \$77.00. If the optimistic analysts are correct that is just over \$13.00 worth of growth left in this stock.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
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3. TSX:ENB (Enbridge Inc.)
4. TSX:MATR (Shawcor)
5. TSX:SU (Suncor Energy Inc.)

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