3 Stocks That Have Outperformed the TSX and Could Go Even Higher!

Description

The TSX has had a dismal 2017, to say the least, and investors might be frustrated with the lack of returns across many sectors. However, there are stocks that have been able to perform well, and investors may want to take note of the three companies below; they have seen strong returns year to date and could still be excellent investments going forward.

Premium Brands Holdings Corp. (TSX:PBH) has seen its stock price climb over 44% so far this year, and in the past 12 months, its share price has appreciated over 57%. A big reason for the well-performing stock price is that the food manufacturer and distributor has seen strong sales growth in its most recent quarter with revenues up 25% and profit growth of 45%.

Annually, the company has done much the same; 2016 revenues of over $1.8 billion grew 25% from the previous year and, since 2013, have increased by 74%. Net income has seen even stronger growth over this time as the last fiscal year saw profits of $68 million, which was more than the last five years combined. Despite a relatively high earnings multiple of 35, the strong growth in its bottom line might justify the high share price of Premium Brands.

Quebecor, Inc. (TSX:QBR.B) has also seen its stock show strong growth this year with year-to-date returns totaling 28%. In five years, the share price has increased by over 174%. The telecommunications and media company has seen small growth with revenues rising just 4% in its most recent earnings release, but net income of $132 million was 13 times the $10 million profit posted a year ago. However, a big reason for that increase in profit was due to a gain of $87.8 million the company netted when it sold its Advanced Wireless Services (AWS) spectrum licence to **Rogers Communications Inc.**

Quebecor is more than just a media company, and its diversification sets it apart from many competitors. The company operates the Videotron Centre, owns junior hockey teams, and also applied for an NHL expansion team. With many avenues to potentially increase revenue, Quebecor is an attractive investment, and despite having over $3 billion in sales, it continues to find ways to grow.

Air Canada (TSX:AC)(TSX:AC.B) has seen its share price skyrocket 66% since the start of the year as the airline recorded record profits of $300 million in its last quarter, which were up 61% from the prior year. Revenues for the quarter also rose by 13%. Overall, the company has seen consistent sales growth in the past seven years, and in five years, revenues have grown by 26%.

Air Canada has also seen its bottom line grow from a loss of $255 million in 2011 to a profit of $876 million in its latest fiscal year. Specifically, in the past few years, as the price of oil has dropped, the airline has seen profits grow from $100 million in 2014, when oil prices were over $100, to almost nine times that amount in 2016.

At an earnings multiple of less than eight, Air Canada is presents an attractive value investment and has proven it still can provide sales and profit growth. If the price of oil is stable and doesn’t see large increases, the airline will likely be able to continue padding its bottom line as it grows sales.

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1. TSX:AC (Air Canada)
2. TSX:NXE (NexGen Energy Ltd.)
3. TSX:PBH (Premium Brands Holdings Corporation)
4. TSX:QBR.B (Quebecor Inc.)

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