3 Stocks That Have Outperformed the TSX and Could Be Great Buys Today

Description

With the TSX performing poorly this year, it's best to avoid stocks that follow it. Instead, look for ones that are able to perform well despite a poor market. I have listed three stocks below that have been performing exceptionally well this year that could be great additions to your portfolio and, unlike the TSX, could actually yield you some strong returns.

Great Canadian Gaming Corp. (TSX:GC) has seen its share price rise by 40% year to date, with the stock rising over 50% in just the past three months. In August, Great Canadian Gaming won a bid to jointly operate three casinos in Ontario. The company promptly saw its stock skyrocket. The stock has slowed down a little, but in the past month, returns are still over 11% as the share price continues to find upward momentum.

The company is a great investment for multiple reasons, including its strong profit margins. In three of the past five quarters, the company has been able to net over 16% of its revenue. Great Canadian Gaming's last quarter also saw revenues grow by 15%, and with three additional casinos to operate, that kind of growth will only continue in the years to come. The stock is at 52-week highs and trading at 25 times its earnings. Although that may be high for value investors, growth investors should see lots of potential for a great investment.

FirstService Corp. (TSX:FSV)(NASDAQ:FSV) has also seen strong growth this year with the share price growing over 24% since January. The company saw a sharp increase in February, when it posted strong Q4 results, which showed a 21% increase in revenue, along with a rise in adjusted EBITDA, which was up over 37% from the prior year. Since then, the share price has gone on to climb another 10%, although, in the past three months, the stock has lost about 3% in value.

The residential property management company continues to see its numbers grow with the most recent quarter showing a 13% increase in revenue and profit growth of 44%. With earnings per share of $1.25 in its trailing 12 months, FirstService's stock currently trades at a multiple of 64 times earnings and could be a bit rich for some investors. Despite the high valuation, if the company can continue its rate of growth, then the multiples will shrink, and the stock price will continue to rise.

Transcontinental Inc. (TSX:TCL.A) is the poorest-performing stock on this list, and it still has seen its share price climb over 20% in 2017. Since dropping to $20 in February, the stock has climbed over 30% and recently hit new 52-week highs. The printing company has managed to find ways to grow, and although its recent quarter saw sales increase by just 2%, profits grew by almost 7%. Transcontinental has posted strong profit margins averaging over 8% in the previous three years while showing stability in its top line.

The share price currently trades at a multiple of about 10.6 times earnings and just 1.8 times book value, which makes it an attractive price for value investors. Transcontinental might not be the most exciting investment, but with a 3% dividend and a growing bottom line, the stock could continue its ascent in price.

CATEGORY

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TICKERS GLOBAL

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2. TSX:FSV (FirstService Corporation)
3. TSX:TCL.A (Transcontinental Inc.)

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