

These 2 Stocks Reported Excellent Earnings Results Last Week

Description

Rogers Sugar Inc. ([TSX:RSI](#)) and **Norbord Inc.** (TSX:OSB)(NYSE:OSB) reported excellent earnings results late last week, but one responded by rising, while the other responded by falling in Friday's trading session. Let's take a closer look at each company and their earnings results, so we can determine what we should do with each of their stocks today.

Rogers Sugar Inc.

Rogers Sugar is one of the world's leading refiners, packagers, and marketers of sugar and maple products. Its products are marketed under numerous trade names, including Lantic, Rogers, L.B. Maple Treat, Uncle Luke's, and Decacer.

After the market closed on February 1, Rogers released very strong fiscal 2018 first-quarter earnings results, and its stock responded by rising 1.78% in Friday's trading session. Here's a quick breakdown of its earnings results:

Q1 2018 compared with Q1 2017:

- Total revenues increased 28.4% to \$204.88 million
- Adjusted gross margin increased 28.1% to \$37.3 million
- Adjusted earnings before interest and taxes increased 20.2% to \$25.88 million
- Free cash flow increased 18.3% to \$17.36 million
- Adjusted net earnings increased 12.3% to \$15.85 million
- Adjusted earnings per share (EPS) remained unchanged at \$0.15

Rogers also provided positive outlook, stating that it expects "total volume to increase by approximately 10,000 metric tonnes" in 2018, which is important given its recent acquisition activity.

With its earnings results and outlook in mind, it's no wonder investors responded by sending Rogers's stock higher on Friday, and its 1.78% gain is even more impressive given the sell-off in the overall market that day. Furthermore, I think the stock represents an attractive long-term investment opportunity today, because it trades at less than 12 times fiscal 2018's estimated EPS of \$0.54 and has a rich 5.7% yield with a track record of being one of the market's most [reliable dividend payers](#).

Norbord Inc.

Norbord Inc. (TSX:OSB)(NYSE:OSB) is the world's largest producer of oriented strand board, hence the stock symbol, and it's one of the world's leading producers of wood-based panels.

On the morning of February 2, Norbord released very strong fiscal 2017 fourth-quarter and full-year earnings results, but its NYSE-listed shares responded by falling 4.13%, and its TSX-listed shares responded by falling 2.84%. Here's a quick breakdown of its earnings results from each period:

Q4 2017 compared with Q4 2016:

- Sales increased 23.7% to US\$596 million
- Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) increased 77.4% to US\$204 million
- Cash provided by operating activities per share increased 69.1% to US\$2.57
- Adjusted earnings increased 123.6% to US\$123 million
- Adjusted EPS increased 120.3% to US\$1.41

Fiscal 2017 compared with fiscal 2016:

- Sales increased 23.3% to US\$2,177 million
- Adjusted EBITDA increased 74.5% to US\$672 million
- Cash provided by operating activities per share increased 92.6% to US\$7.05
- Adjusted earnings increased 123.6% to US\$389 million
- Adjusted EPS increased 122.3% to US\$4.49

On top of the strong earnings results, Norbord had a very positive outlook on 2018, because demand “remains strong” in all of its core markets, a lot of which can be attributed to the continued growth of U.S. housing starts.

With its very strong earnings results and positive outlook in mind, I think Norbord’s stock should have responded by soaring on Friday, but I think the overall weakness in the U.S. and Canadian stock markets is what weighed it down; that being said, I think it’s a strong buy today, because it’s incredibly undervalued at less than 10 times fiscal 2017’s adjusted EPS of US\$4.49 and because it has a juicy 5.3% dividend yield with a [recently established reputation](#) for dividend growth.

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Author

jsolitro

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