



## Why TFI International Inc. Is Soaring Over 8%

### Description

**TFI International Inc.** ([TSX:TFII](#)), one of North America's largest trucking companies, released its fiscal 2017 fourth-quarter and full-year earnings results yesterday afternoon, and its stock has responded by soaring over 8% in early trading today. Let's break down the results and the fundamentals of its stock to determine if now is the time to buy.

### The results that ignited the rally

Here's a quick breakdown of six of the most notable statistics from TFI's three-month period ended December 31, 2017, compared with the same period in 2016:

Metric	Q4 2017	Q4 2016	Change
Total revenue from continuing operations	\$1,182.47 million	\$1,137.73 million	3.9%
Revenue before fuel surcharge from continuing operations	\$1,058.99 million	\$1,036.45 million	2.2%
Adjusted EBITDA from continuing operations	\$131.02 million	\$127.94 million	2.4%
Free cash flow from continuing operations per share	\$1.14	\$1.07	6.5%
Adjusted net income from continuing operations	\$54.65 million	\$50.61 million	8.0%
Adjusted net income from continuing operations per diluted share (EPS)	\$0.60	\$0.54	11.1%

And here's a quick breakdown of six notable statistics from TFI's 12-month period ended December 31, 2017, compared with the same period in 2016:

Metric	Fiscal 2017	Fiscal 2016	Change
Total revenue from continuing operations	\$4,741.02 million	\$4,025.21 million	17.8%
Revenue before fuel surcharge from continuing operations	\$4,281.82 million	\$3,704.49 million	15.6%
Adjusted EBITDA from continuing operations	\$514.48 million	\$442.35 million	16.3%
Free cash flow from continuing operations per share	\$376.49 million	\$288.34 million	30.6%
Adjusted net income from continuing operations	\$192.57 million	\$187.39 million	2.8%
Adjusted net income from continuing operations per diluted share	\$2.08	\$1.96	6.1%

### Should you buy TFI today?

The fourth quarter capped off a fantastic year for TFI, driven by its acquisition of seven businesses during the year, so I think the large pop in its stock is warranted; furthermore, I think the stock still represents an attractive long-term investment opportunity for two fundamental reasons.

First, [it's still undervalued](#). TFI's stock currently trades at just 15.6 times fiscal 2017's adjusted EPS of \$2.08 and only 14 times the consensus EPS estimate of \$2.33 for fiscal 2018, both of which are inexpensive compared with its five-year average multiple of 24.6; these multiples are also inexpensive given its [long-term growth](#) potential.

Second, it's a dividend-growth star. TFI currently pays a quarterly dividend of \$0.21 per share, representing \$0.84 per share on an annualized basis, which gives it a solid 2.6% yield. A 2.6% yield is good, but it gets much more attractive when you consider that the company's 10.5% dividend hike in December has it on track for 2018 to mark the eighth straight year in which it has raised its annual dividend payment, making it one of the top dividend-growth stocks in the trucking industry today.

With all of the information provided above in mind, I think Foolish investors seeking exposure to the transportation industry should consider beginning to scale in to long-term positions in TFI International today.

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2. Investing

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## Date

2025/08/18

## Date Created

2018/02/21

## Author

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