



A Rare Triple Threat Stock That's a Strong Buy Today

Description

There are three general baskets of stocks: income, growth and value. Stocks belong to one, or more than one of these generally accepted types. It is rare however, for stocks to belong to all three. It is thus very satisfying when you come across a stock that fits all three stock types. It is considered a *triple threat*.

One stock that qualifies as a rare triple threat is **TFI International** ([TSX:TFII](#)). TFI is a transportation and [logistics company](#) with operations across North America. The company operates in four segments: Package and Courier, Less-Than-Truckload, Truckload, and Logistics and Last Mile.

TFI International has been one of the [top performing](#) industrials in Canada. Over the past five years, its stock price has average 17.8% annual growth. Year to date, it has rewarded investors with a 23.77% gain. Its performance far exceeds that of the broader TSX and the **TSX Industrial Index**.

A top income stock

As of writing, TFI International yield's a decent 2.18 per cent. What it lacks in yield, it makes up for in dividend growth. The company is a Canadian Dividend Aristocrat with an eight-year dividend growth streak. Over that period, the company has averaged double-digit dividend growth. Its last raise, which came this past December, was 14.29% and above historical averages.

Another positive takeaway is there is plenty of room for the dividend to grow. TFI has a conservative payout ratio of 29.80% when compared to earnings and only 31% as compared to free cash flow. As such, investors can expect double-digit dividend growth over the short and medium term.

A top growth stock

To qualify as a growth stock, companies must be growing by double digits. As we've mentioned, TFI's stock price has grown at an impressive pace. This is not surprising given that the company has grown earnings by 20% annually on average over the past five years.

Looking forward, shareholders can expect much of the same. Analysts estimate that the company will grow earnings by 19% on average over the next five years. In the first quarter of 2019, adjusted earnings per share grew by 40%; it's well on its way to crushing 2019 estimates.

A top value stock

To close, TFI International is also trading at attractive valuations. Despite its 23% gain in 2019, the company is still cheap, and is trading at a steep discount to its historical price-to-earnings (P/E), price-to-cash flow (P/CF) and price-to-book (P/B) historical values.

Furthermore, at a P/E to growth (PEG) ratio of 0.59 the stock is also cheap based on future growth expectations. A PEG ratio under one is a sign that the company's share price is not keeping up with expected growth rates. It is thus considered undervalued.

Analysts are in agreement with an average 'buy' rating and a one-year price target of \$53.36 per share. This implies 22% upside from today's price of \$43.69 per share.

Foolish takeaway

TFI International is a must-have for your TFSA or RRSP portfolio. Management has an excellent track record and the company offers something for investors of all types. Don't miss out on this *triple threat* opportunity.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:TFII (TFI International)

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