



1 High-Growth Stock That's on an Absolute Tear in 2021

Description

The TSX has grown more in the last 11 months than it did in four years before the 2020 market crash. The recovery-fueled growth was amazing for investors who bought broad market indexes or rapidly growing sectors (especially the tech sector) *after* the market crash. And even though a lot of investors and market experts were predicting otherwise, the overall growth momentum didn't slow down in 2021.

The S&P/TSX Composite Index has grown a bit over 9.5% since the beginning of the year. This time, the tech sector is not in the lead. The healthcare sector, primarily the cannabis section, was one of the best growing market segments in the first quarter of 2021. But that rally has slowed down a bit. So, to find a stock that has been on an absolute tear in 2021 and still retains the momentum, I've looked at a different sector.

A materials company

AirBoss of America ([TSX:BOS](#)) is an Ontario-based company that specializes in rubber-based products. It caters to a wide range of industries, including automotive, construction, infrastructure, and defense. The diversified clientele partially shelters AirBoss of America's sales from sinking with a weakening sector. It can focus on other industries when one segment of its clientele is not performing well.

[The company](#) has a lot of innovative products under its belt, including a puncture-proof tire for the mining industry, defense-moulded gloves, and low-burden masks, etc. Its core business is divided into three segments (and three different brands): Defense Group, Rubber Solutions, and Engineered products. Each segment serves a unique set of industries with limited overlap among the three.

Apart from headquarters in Newmarket, Ontario, the company has six facilities in North America and one in Kuala Lumpur, Malaysia. The company has been profitable for 25 consecutive years, and 2021 is expected to follow the pattern.

2021 performance

The stock hasn't been on a "steady" growth tear since the beginning of 2021, but the company has grown its market value by over 160% in fewer than four months. The stock was growing moderately up until the start of March, where it spiked and grew by over 100% before the month was over. The stock is currently stable, and the chances of it going higher might be stronger than it sinking.

Despite the powerful growth spike, the company is not painfully overpriced. The price-to-earnings ratio is 24.2, and the price-to-book ratio is 4.5 times. One negative consequence of the growth spike is the dividend yield, which has fallen below 1%. The stock's growth is backed by strong revenues and gross profits.

Foolish takeaway

AirBoss of America has grown this much for the first time in the [last five years](#). One reason for this spike is likely the U.S. federal government contract the company won for protective equipment worth about US\$576 million. The company is focusing on sustainable energy (and related products). If it manages to win sizeable contracts in that area along with the automotive industry, the stock might grow higher still.

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