4 Top Canadian Stocks to Buy After Their Impressive Earnings Last Week

Description

The **S&P/TSX Composite Index** rose 2.2% last month, pushing the index 9.6% higher for this year. The strong February retail sales and expectation of improvement in corporate earnings appear to have increased investors' confidence, driving the index higher. Amid improved investors' sentiments, here are the four Canadian stocks that you can buy right now after their impressive earnings.

Shopify

Last week, **Shopify** (TSX:SHOP)(NYSE:SHOP) reported an impressive first-quarter performance, outperforming analysts' expectations by significant margins. Year over year, the company's top line and adjusted EPS increased by 110% and 958%, respectively. Its gross merchandise value (GMV) grew 114% to $37.3 billion, with gross payments volume accounting for 46% of it. The impressive performance has led its stock price to rise 1.4% since reporting its first-quarter performance on Wednesday.

The increased adoption of the omnichannel selling model and structural shift to online shopping has created a multi-year growth potential for Shopify. Further, its geographical expansion and innovative product offerings bode well with its growth prospects. With Shopify trading over 23% lower from its February highs, I believe investors should accumulate the stock to earn superior returns.

BCE

Second on my list is **BCE** (TSX:BCE)(NYSE:BCE), which has also outperformed analysts' expectations in its recently reported first-quarter earnings. Its revenue and adjusted EBITDA increased by 1.2% and 0.5%, respectively. Meanwhile, the company added 108,468 net new connections during the quarter, generating free cash flows of $940 million. Further, its financial position also looks healthy given its liquidity of $6.5 billion at the end of the quarter.

Meanwhile, the company had made $1 billion of capital investment during the first quarter. These investments could help in increasing its fibre and WHI connections to 6.9 million by the end of this year. Higher demand for its services amid the reopening of the economy, expansion of 5G coverage, and increased digitization could drive its financials in the coming quarters. The company pays quarterly dividends, with its forward yield standing at 5.8%. Given its better-than-expected first-quarter performance, healthy growth prospects, and high dividend yield, I am bullish on BCE.

Waste Connections

After witnessing a tough 2020 due to the pandemic-induced restrictions, **Waste Connections** (TSX:WCN)(NYSE:WCN) has made a solid start to this year. Its revenue and adjusted EBITDA increased by 3.2% and 6%, respectively. The growth in solid waste volumes and higher recovered commodity values drove the company's financials during the quarter. Its impressive first-quarter performance boosted the company's stock price by 1.5%.

Meanwhile, the momentum could continue, given its high-growth potential. The reopening of the economy and improving macroeconomic trends could boost its financials in the coming quarters. The company is also focusing on accretive acquisitions. With its cash and cash equivalents standing at $740 million, Waste Connections is well positioned to complete its future acquisitions. The company pays quarterly dividends, with its forward yield standing at 0.7%.

Restaurant Brands International

My final pick on this list would be **Restaurant Brands International** (TSX:QSR)(NYSE:QSR), which reported an excellent first-quarter performance on Friday. Its top line came in at $1.26 billion against analysts' expectations of $1.25 billion, while its adjusted EPS came in at $0.55, beating analysts' expectations by 10%. Year over year, the company's revenue increased by 2.9% amid favourable foreign currency translation.

The company's investments in digital channels are beginning to yield results, as Tim Hortons generated 31% of its revenue in Canada from digital sales. Meanwhile, its adjusted EPS grew 14.6% amid revenue growth and lower operating expenses. Meanwhile, the reopening of the economy amid vaccination expansion could boost the company's financials in the coming quarters. Further, Popeyes is also planning to open 1,000 restaurants in the U.K., India, Mexico, and Saudi Arabia over the next 10 years. Amid its improving operating metrics and healthy growth prospects, Restaurant Brands International could deliver superior returns this year.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. NYSE:SHOP (Shopify Inc.)
4. NYSE:WCN (Waste Connections)

5. TSX:BCE (BCE Inc.)
6. TSX:QSR (Restaurant Brands International Inc.)
7. TSX:SHOP (Shopify Inc.)
8. TSX:WCN (Waste Connections)

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