



3 TSX Stocks That Posted Solid Earnings in May

Description

Canadian Tire ([TSX:CTC.A](#)), **TMX Group** ([TSX:X](#)), and **Power Corp** ([TSX:POW](#)) are three TSX stocks that [posted solid quarterly results](#) in May. You might want to consider adding these TSX stocks to your shopping list.

Canadian Tire

Canadian Tire is a general merchandise retailer selling gasoline, automobiles, sports, and household goods. The company reported better-than-expected financial results for its first quarter.

First-quarter 2021 revenue was \$3.3 billion, up 16.7% year over year. It exceeded the average analyst estimate of \$2.92 billion, according to data from Refinitiv IBES. Comparable sales increased 19.2% at Canadian Tire's flagship chain.

Like other retailers selling non-essentials products, many Canadian Tire stores operated under tighter restrictions earlier this year as the country grappled with the third wave of COVID-19 infections.

E-commerce sales rose 257% to \$450 million for the quarter ended April 3, while Canadian Tire chain's online sales were nearly five times higher than in the same period last year.

Meanwhile, net income was \$186.4 million (\$2.47 per share) in the first quarter of 2021, compared to \$12.2 million (\$0.22 per share) in the first quarter of 2020. On an adjusted basis, Canadian Tire earned \$2.57 per share in the quarter, beating Refinitiv IBES estimate of \$0.62 per share.

TMX Group

TMX Group reported higher revenues and profits in the first quarter of 2021. The Canadian financial services company operates the Toronto Stock Exchange (TSX).

In fact, TMX's revenue for Q1 2021 was \$252 million, an increase of 14% from the revenue of \$220.3 million reported in Q1 2020. Analysts expected revenue of \$243.4 million. Income growth was driven by increased activity in the equity and fixed-income market as well as by the strength of its clearing and

capital formation activities.

Meanwhile, the company reported a first-quarter profit of \$96.4 million (\$1.70 per diluted share), up 38% from \$70.1 million (\$1.24 per diluted share) in the prior-year quarter.

On an adjusted basis, TMX earned \$106.5 million (\$1.88 per diluted share), an increase from \$87 million (\$1.53 per diluted share) in the first quarter of 2020. Analysts expected TMX to post adjusted earnings of \$1.78 per share, according to financial data firm Refinitiv.

TMX also announced that it will [increase its quarterly dividend by 10%](#) to \$0.77 per common share. This dividend hike is its fourth in three years.

Power Corp

Montreal-based Power Corp is a diversified holding company focused on financial services in North America, Europe, and Asia. Power Corp holds complete control of **Power Financial** and, therefore, a controlling interest in **Great-West Lifeco**, **IGM Financial**, and Wealthsimple, as well as a minority interest in Pargesa.

Power Corp's third-quarter profit almost tripled from Q3 2020, thanks to strong gains in its life insurance business.

Profit was \$556 million (\$0.82 per share) in the first quarter of 2021 compared to \$200 million (\$0.36 per share) in the first quarter of 2020. Net income of Great-West Lifeco rose 107% to \$707 million from \$342 million a year earlier.

On an adjusted basis, profit for the quarter ended March 31 increased to \$786 million (\$1.16 per share) from \$345 million (\$0.62 per share) in the first quarter from 2020.

Power Corp said it has achieved two-thirds of the \$50 million cost savings planned over two years since its reorganization completed in February 2020, during which it acquired a minority interest in Power Financial.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:POW (Power Corporation of Canada)
3. TSX:X (TMX Group)

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