



4 Canadian Stocks to Buy After Strong Earnings

Description

Earnings season continues to run strong. Motley Fool investors looking for Canadian stocks to buy should be paying attention, but not just to major jumps in share price. Instead, look for strong companies that made announcements that show there will be continued revenue down the line. This will lead to increased returns over time as well.

With that in mind, here are four Canadian stocks to consider after strong earnings reports.

TFI International

Shares of **TFI International** ([TSX:TFII](#))([NYSE:TFII](#)) jumped 10% after a strong second-quarter report. The results were better than expected by analysts, coming out of the US\$800 million acquisition of UPS Freight. This strong performance allowed the company to raise its earnings per share guidance, with further upside potential if the company completes more organic growth and acquisitions.

The company reported adjusted EBITDA of US\$279 million after hours on Monday. This was ahead of the predicted US\$219 million by 27%! Shares have increased by 166% in the last year with the growth in shipping, and the company also offers a nice dividend yield as well. That makes it one of the strongest Canadian stocks to buy now. Especially as further growth is likely under current market conditions.

Teck Resources

It was a bit of a surprise that shares actually fell for **Teck Resources** ([TSX:TECK.B](#))([NYSE:TECK](#)) after a strong quarter. Record high copper prices actually allowed the company to see revenue rise significantly during the [second quarter](#), with Canada's largest base metals miner seeing sales rise to \$2.6 billion. That's a year-over-year increase of 53% from 2020 sales of \$1.7 billion!

Teck is due to continue its exposure into copper, building a mine in Chile as we speak. But its core coal business also rose from the same quarter last year. Yet wildfires out west have created an issue for

shipping from its coal mines, so next quarter may not be as strong.

That being said, Teck remains one of the best Canadian stocks to buy as it continues its core and new business models. Shares are up 84% in the last year, with analysts predicting an average potential upside of 21% for the next 12 months. So Motley Fool investors should pick up this deal while they can!

Celestica

Tech stocks may be down, but [don't count them out](#). Such was the case with **Celestica** ([TSX:CLS](#))([NYSE:CLS](#)) after it reported a better-than-expected third-quarter this week. The company believed COVID-19 would continue to put a damper on production.

However, management believes there will be a return to stable growth in 2022, with revenue reaching \$6 billion and beyond. Therefore, the company believes its balance sheet can support both buybacks and acquisitions, making it one of the top Canadian stocks to buy.

Celestica reported revenue of US\$1.42 billion, ahead of analyst estimates by 3%. As demand increases for its products and supply-chain management, revenue looks like it will only grow higher, leading to faster-than-market growth. Shares are up 14% for the year and jumping 13% from the report. Analysts believe there is an average potential upside of around 10% for the next year, and it remains a steal with a P/E ratio of 14.82.

FirstService

Finally, one of the solid Canadian stocks to buy right now off strong earnings results is **FirstService** ([TSX:FSV](#))([NASDAQ:FSV](#)). The essential property manager also saw results that exceed expectations during the second quarter. The company reported revenue of US\$831.6 million for the quarter, which was a 34% increase year over year. This also exceeds analysts' expectations by 13%.

This is one of the company's that should continue to grow in revenue as COVID-19 subsides, with amenity services returning to normal. Shares are up 48% in the last year, and 307% in the last five years for a [compound annual growth rate](#) (CAGR) of 32%.

That trajectory has remained stable even during the pandemic for Motley Fool investors, with only a short dip. So this is one of the Canadian stocks to buy today and likely never sell again!

CATEGORY

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TICKERS GLOBAL

1. NASDAQ:FSV (FirstService Corporation)
2. NYSE:CLS (Celestica Inc.)
3. NYSE:TECK (Teck Resources Limited)
4. NYSE:TFII (TFI International)

5. TSX:CLS (Celestica Inc.)
6. TSX:FSV (FirstService Corporation)
7. TSX:TECK.B (Teck Resources Limited)
8. TSX:TFII (TFI International)

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