Forget Air Canada (TSX:AC)! Buy This 1 High-Growth Stock Instead

Description

Air Canada (TSX:AC) was once a highly coveted growth stock. Since the crash, it has been hailed as one of the "ultimate" growth stocks, but so far, it has come short of that mantle. Ever since the start of 2020, the price has been hovering around $25 per share. The stock hasn't broken through the $30 mark and has only dipped below $20 once in the last eight months.

If the pattern repeats itself, the stock might get a bump in the next year and will stick to a new "middle" line. The chances of Air Canada recovering its valuation to pre-pandemic levels and beyond it would only grow to sizeable levels once the earnings enter the green zone.

For now, the airline is burning through millions of dollars a day just to stay operational. And if the Delta variant deals another significant blow to international air travel, Air Canada might lose any ground it has gained in the last few months.

So, if you are looking for growth, you might consider investing your capital in a less uncertain company.

A transport and logistics company

TFI International (TSX:TFII)(NYSE:TFII) is a leader in the North American transport and logistics industry. This Montreal-based company has been operating since 1957, but the last few years have been quite explosive for the company's growth and financials, and its stock has followed.

The company has an impressive footprint and a powerful presence in North America. It has over 560 facilities across 80 North American cities. It employs over 29,800 people, about half of whom (+14,800) are drivers, which should give you an idea of the massive fleet TFI operates through a powerful network of 80 holding companies.

Logistics and e-commerce

The recent spike in TFII's stock and its revenues (130% for the most recent quarter) can be chalked up to its crucial position in the e-commerce supply chain. The company offers solutions and services in four logistic segments, and it has seen a significant spike in two of those compared to their peers (package and courier, and less than truckload). Both of these solutions overlap with the last leg of e-commerce deliveries.

While it only makes up for a fraction of its current revenues, TFII is also expanding into Mexico. The company is growing through more than just its organic financial prowess but through an active acquisition strategy as well. It has acquired 94 companies in the last 13 years, expanding its reach across multiple logistics and transportation dimensions.

Foolish takeaway

The stock has grown almost 415% since the 2020 market crash. Its recent growth spike would have been unsustainable if it weren't for a similar spike in its revenues. The stock is currently only moderately overvalued, which is quite impressive for a company that went through a growth spurt like this.

Considering its current valuation and the pace at which e-commerce is growing, there is a high probability that the stock could grow quite a bit before normalizing.

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