



2 Top Turbocharged TSX Stocks to Buy in September 2021

Description

Some market pundits advised investors to sell in May and go away. Those who followed that advice must have given up large gains, but those who ignored it and kept investing have been a part of a wonderful re-opening rally. Canadian markets have soared almost 20% this year and look to be in great shape for further upside. So, even if you have been out of the markets recently, here are two under-the-radar **TSX** stocks that offer handsome growth potential.

BRP

A leading Powersports vehicle maker, **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)) reported its fiscal second-quarter 2022 earnings on September 2. The numbers came above expectations, which drove the stock close to its record highs of \$120. BRP stock has rallied almost 40% so far this year, notably outperforming TSX stocks at large.

The company hosts popular brands like Ski-Doo and Sea-Doo and operates in more than 120 countries. It has a diversified product range that includes all-terrain vehicles, snowmobiles, watercraft, and fishing boats. Earlier this year, BRP announced an investment of \$300 million to make electric vehicles.

The pandemic and restrictions notably hammered BRP's business last year. However, it has seen a strong comeback since then, driven by solid demand recovery. For the latest reported quarter, the company reported revenues of \$1.9 billion, registering a 54% growth year over year. In addition, BRP expects supply chain issues mainly due to the pandemic to ease by Q4 2021, which will expand its bottom line.

Driven by strong quarterly performance, BRP has again [increased](#) its earnings guidance for the fiscal year 2022. This was the consecutive second quarter in which it has raised guidance for the year. It now expects normalized EPS to range from \$8.25 to \$9.75 per share, representing a growth of 67% compared to fiscal 2021.

What's notable here is the stock has not fully priced in the increased guidance yet. BRP could see

significant demand recovery in the post-pandemic world. Its strong presence in the niche market and robust product portfolio make it well placed to play the “new normal.” Notably, DOO stock is currently trading 13 times its 2022 earnings, which makes it substantially [undervalued](#).

Major Drilling Group International

Another TSX stock that has seen a breakout recently is **Major Drilling Group** ([TSX:MDI](#)). It spurted more than 17% after reporting better-than-expected results on September 2.

Major Drilling is a \$650 million specialized drilling company that generates revenues from [gold](#) and copper mining.

The company reported \$151 million in revenues for the quarter ended July 31, 2021. This was the highest quarterly revenue in nine years and represented 69% growth year over year. Its net income came in at \$11.1 million for the quarter, again the highest in nine years.

Major Drilling specializes in unconventional drilling like directional drilling, deep hole drilling, and high-altitude drilling. It focuses on mines with more attractive mineral deposits located in remote locations and difficult to access.

Driven by higher demand and rallying commodity prices, drillers have upped their capital spending this year. The trend could continue amid the solid economic recovery, bringing more business for drillers like MDI.

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