



2 Must-Buy TSX30 Winners With Outrageous Returns

Description

The **TMX Group** recently announced the TSX30 winners for 2021. It was the third time in as many years that Canada's primary stock exchange operator put the spotlight on 30 companies. But what does it hope to accomplish with the list?

First, the flagship program is a way to showcase TSX's 30 top-performing stocks over a three-year period. Second, the annual rankings focus on the achievements and sustained success of the exchange's leading listed companies. Third, and in my opinion, it serves as a guide for investors looking for [growth-oriented companies](#).

I wouldn't be interested in **Capstone Mining** ([TSX:CS](#)) and **AutoCanada** ([TSX:ACQ](#)) if I didn't see their names on the TSX30 list. The former is ranked number five, while the latter occupies the 18th spot. Then I noticed that their three-year performances were 433% and 212%, respectively. With the [outrageous returns](#), one or both should be on your radar.

Hefty top- and bottom-line growth

If you check the performance of Capstone Mining in 2021, investors are winning by 113%. Also, the current share price of \$5.07 is 247% higher than a year ago. The mining stock carries a strong buy rating, and market analysts project further appreciation of 38.82% in the next 12 months.

The \$2.09 billion company is a base-metals producer that has been operating since 2009. Capstone's investment thesis centres on three items: namely, transformational growth, exploration excellence, and pioneering new technology.

It has two producing copper mines (Pinto Valley, U.S., and Cozamin, Mexico) and a copper-iron ore-gold project (Santo Domingo, Chile) that provides transformational growth opportunities. In Cozamin, Capstone projects 50% copper and silver production growth in 2021. Capstone uses a novel patented technology at Pinto Valley.

Capstone presented solid financial results in the first half of 2021. Total revenue grew 136% to \$413.5

million versus the same period in 2020. From a net loss of \$17.4 million, management was pleased to report a net income of \$176.4 million. Total copper production estimates this year is between 175 and 190 million pounds.

Impressive rebound

AutoCanada caught my fancy because of the stock's 96% year-to-date gain and 121% trailing one-year price return. Also, market analysts recommend a buy rating and project a capital gain of 41%, from \$46.17 to \$65.28.

The \$1.29 billion company operates 50 franchised automotive dealerships (21 brands) in eight Canadian provinces. In the U.S., AutoCanada uses the brand name Leader Automotive Group. This American segment in Illinois consists of 14 franchises (12 brands). The dealerships sell new and used vehicles.

In Q2 2021, AutoCanada reported revenue growth of 76% versus Q2 2020. Notably, net income was \$37.7 million compared to the \$20.1 million net loss in the same period last year. Its executive chairman Paul Antony said, "We delivered another record-setting performance in Q2 2021."

Antony added that it was a breakout quarter for AutoCanada's U.S. operations. The newly appointed management team initiated a fundamental shift, both in operating and sales culture. According to Antony, the company has a robust acquisition pipeline of dealerships and collision centres. It's also well positioned to deliver sustainable improvements in the quarters ahead.

Helpful guide

The TSX30 list is a helpful guide for investors in search of [growth stocks](#) with outrageous returns. Capstone Mining and AutoCanada should be on your shopping lists.

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