1 Canadian Stock up 37% This Year After Record Earnings

Description

Canadian stock **Nutrien** (TSX:NTR)(NYSE:NTR) announced earnings on Monday after market close. Nutrien stock set records for the quarter, beating analyst estimates for the third time in the last four quarters.

The earnings surprise represented a 12% boost over expectations. Nutrien reported $1.38 per share and raised full-year 2021 adjusted earnings guidance as a result of positive momentum.

What happened?

The Canadian stock generated record adjusted EBITDA for the quarter, hitting $4.7 billion, with free cash flow at $2.8 billion in the first nine months of 2021. It continued its buy-back program and plans to reduce long-term debt by about $2 billion over the next six months.

The company increased its guidance to hit adjusted EBITDA and EPS between $6.9 and $7.1 billion and $5.85 and $6.10 per share, respectively. This comes from expecting both strong crop inputs, with demand increasing through 2022.

Further, the Canadian stock delivered double-digit revenue growth in its retail business through “strategic procurements,” up 11% in the first nine months.

The results demonstrate our ability to efficiently and reliably deliver crop inputs and services to our customers amid global supply uncertainties, and we remain focused on our essential role to support global food security and sustainable food production,” commented Mayo Schmidt, Nutrien’s president and CEO.

So what?

The main benefit here is that Nutrien shares actually fell on Tuesday, with the company reaching all-time highs. Nutrien stock has been around for a few years now, but the Saskatoon company hasn’t made significant moves outside the $60 range.

However, with record-setting revenue, poor crop yields, and supply chain issues among other industries, Nutrien has proved its worth. Now hitting another analyst-beating report, shares hit those all-time highs, and investors wanted their returns.

Fair enough, but now there is a solid point of entry for Motley Fool investors on the **TSX** today. You can pick up the Canadian stock on a downturn; it's down about 3% since those highs as of writing. Further, analysts peg the company at an upside of 12% for the next year. Even now, shares are starting to rebound.

Now what?

There's a lot to look forward to with Nutrien stock, as management mentioned. People need to eat, and this company managed to take over a market share of crop nutrients. This was done through the oldest trick in the book: acquisitions. That coupled with partnerships in countries around the world makes it a strong, diverse Canadian stock.

The company is looking to ramp up production, especially through five transactions in Brazil that should generate nutrients and sales. With global grain and inventory below historic levels, crop prices are growing. This mean Nutrien can continue to deliver strong cash flow in the near and far future.

Shares of the Canadian stock are up 37% year to date and growing after earnings. But investors worried about missing the boat can still look forward to the solid dividend yield of 2.58% as of writing. Further, it offers a valuable 17.46 EV/EBITDA right now. Nutrien stock is therefore a solid long-term investment on the TSX today for any Motley Fool investor's portfolio.

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