3 Top Stocks to Own Post-Q3 Earnings

Description

With the Q3 earnings in full swing, several Canadian companies impressed with their quarterly performance. Further, I expect the momentum in a few will likely sustain on the back of improving sector trends, implying that their stocks could outperform the benchmark index in the coming quarters.

Let's dive into three such stocks that I believe are attractive investments after their Q3 results.

default watermark

Air Canada

Air Canada (TSX:AC) is an obvious choice and my top recovery play. Not only did the airline company impress with its Q3 performance, but its improving revenue and traffic trends, cost-control measures, and positive net cash flow indicated that better days are ahead of Air Canada's investors.

Air Canada's capacity and revenues increased rapidly both on a year-over-year and sequential basis. Meanwhile, its air cargo revenues crossed the $1 billion on a year-to-date basis. The company reduced its operating losses by 50% and, to my surprise, reported net cash of $153 million against the management's guidance of a net cash burn of $280 million to $460 million.

Looking ahead, I expect Air Canada stock to gain from the increased traffic and strong advance ticket sales. Meanwhile, easing restrictions, a rebound in business travel, strength in the air cargo business, and higher capacity will likely drive financials and support the uptrend in its stock. It's worth noting that Air Canada stock is trading at a substantial discount to its pre-pandemic levels and is a solid long-term investment at current price levels.

Suncor Energy

Like Air Canada, **Suncor Energy** (TSX:SU)(NYSE:SU) is another solid play post-Q3 earnings. While Suncor stock has gained about 17% since announcing its Q3 results, I see further upside on the back of higher realized prices amid a recovery in demand.

Meanwhile, increased economic activities, integrated assets, fortified balance sheet, and lower debt position it well to boost investors' returns through dividends and share repurchases. Notably, it has returned about $1 billion to its shareholders through dividends and share buybacks in Q3. Moreover, it reduced net debt by $2 billion. Further, it boosted its dividends by 100%, reflecting management's confidence over its future cash flows.

Suncor's favourable mix, higher average commodity prices, and lower cost base will likely drive Suncor's profitability and, in turn, its stock price. Moreover, its solid capital-allocation strategy will drive its funds from operations and bodes well for future growth.

Lightspeed

Despite the expected moderation in its growth and supply-chain challenges, I am bullish on commerce-enabling company **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD). The strength in its organic growth rate, solid subscription, and transaction-based revenues, and higher average revenue per user support my view.

I believe the ongoing shift in selling models towards omnichannel platforms and focus on digitization will likely drive demand for Lightspeed's products. Furthermore, increased revenues from existing customers will likely drive its average revenue per user. Also, its customer acquisitions and expansion into the high-growth markets and verticals bode well for growth.

default watermark

Notably, Lightspeed stock has corrected nearly 45% from its peak and looks attractive. Investors with a long-term view could consider adding Lightspeed stock at current price levels.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:AC (Air Canada)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Tech Stocks

Date
2025/07/19
Date Created
2021/11/08
Author
snahata

default watermark

default watermark