



Is TFI International a Can't-Miss Stock?

Description

TFI International ([TSX:TFII](#))([NYSE:TFII](#)) stock has more than doubled in 2021, making it one of the best-performing **TSX** stocks this year. Currently, the stock is trading with about 106% year-to-date gains at \$134.44 per share compared to a 19% rise in the TSX Composite benchmark.

Let's look at some key reasons that might have driven this strong rally in TFII stock and find out whether it's still worth [buying for the long term](#).

TFII stock continues to rally in 2021

TFI International is a Saint-Laurent-based transportation and logistics services provider with its main focus on the United States and Mexico apart from its home market.

The ongoing growth trend in this \$12.5 billion company's financials looks very impressive. Last year, when most businesses struggled with COVID-19-related restrictions, TFI's bottom line continued to grow positively. In 2020, the company reported an adjusted net profit of about US\$300 million — about 18.2% higher than its net profit of US\$254 million in the previous year. Similarly, its adjusted net profit margin expanded from 6.5% in 2019 to 7.9% in 2020. These were the primary reasons why TFII stock surged by about 50% last year, ending the third straight year in the green territory.

The year 2021 has been even better for TFI as improving business environment and easing restrictions have boosted the demand for its services. The stronger demand drove its total revenue up by 124% YoY (year over year) in the September quarter to US\$2.1 billion — also 10% higher than analysts' expectation of US\$1.9 billion. Similarly, its adjusted earnings for the quarter jumped 56% YoY to US\$1.46 per share — also beating Street's estimates by 16%. These solid growth figures justify why TFII stock price has consistently surged for the last four years.

But could the company's stock maintain this optimism in the coming years? Let's find out.

Could TFI International stock inch up further?

In addition to its strong organic growth figures, TFI International also focuses on quality acquisitions. These acquisition deals are likely to help the company keep its strong financial growth trend intact while expanding its business presence even faster in the long term.

To give a recent example, TFI, on November 29, [acquired](#) an American transportation firm called D&D Sexton, which owns about 400 refrigerated and dry van trailers apart from 120 tractors. This deal will strengthen TFI's foothold in the temperature-controlled transportation segment and contribute to its financial growth.

Such deals clearly reflect TFI management's intentions to aggressively expand the company to accelerate the pace of financial growth and grow its customer base. Given that, I'm not surprised that analysts expect it to continue reporting strong double-digit earnings growth in the next couple of years.

Moreover, the management remains focused on maximizing efficiencies with more such strategy acquisition opportunities in the coming years, which could boost its profitability further. These are some of the reasons why I find TFI International stock worth buying for the long term, even after its strong year-to-date rally.

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