



1 Up-and-Coming Stock You Can't Ignore

Description

Equity markets are in a state of flux, as another year of investing begins. At writing, the **S&P/TSX Composite Index** is down by 2.18% from its all-time high on November 12, 2021. Despite the decline, Canadian equity markets posted terrific results throughout the year.

Canadian companies have become more aggressive in their growth strategies in recent years. The Canadian benchmark index is up by 22.15% year over year, reflecting that observation. The last few years have seen some of the largest firms across all industries in Canada raise monumental amounts of cash, complete ambitious acquisition deals, and launch innovative new products.

GFL Environmental ([TSX:GFL](#))([NYSE:GFL](#)) is one such [Canadian growth stock](#) that has been making new inroads, diversifying into the trillion-dollar renewable energy industry with its latest move.

GFL Environmental is one of the largest waste management companies and a rare competitor for **Waste Connections**. The company went public not too long ago, and its business has been soaring ever since. Now, the company's management has shifted its focus to entering a massive and unsaturated industry through an interesting move.

Today, I will discuss GFL Environmental stock to help you see why this up-and-coming stock is something you simply cannot ignore.

A new renewable energy platform

After a stellar performance on the stock market since going public, GFL Environmental's management decided to free up some cash. The company recently unloaded a few non-core assets to raise over \$60 million to have the funds to deploy an innovative renewable energy platform. But how does it plan to enter a market already dominated by several well-established global entities and carve out a space of its own?

The answer has to do with what it already deals with: trash.

The company's great plan is to generate renewable natural gas (RNG) using landfills. The company intends to start operations at a few of its landfills to test the waters before expanding the program to make it more profitable. GFL Environmental's CEO, Patrick Dovigi, firmly believes that the new renewable energy platform could allow the company to generate over \$100 million in free cash flow each year.

The global renewable energy industry is slated to grow by over \$2 trillion in the coming decades. Entering the industry with a niche like this positions GFL Environmental well for [immense long-term growth](#).

Foolish takeaway

At writing, GFL Environmental stock is trading for \$47.81 per share, and it is up by almost 30% year over year. Experts estimate that the company's new renewable energy venture could be worth \$3 billion, and it opens up the doors for its entry into the trillion-dollar market.

The company's management is confident that it can boost its cash flow through organic growth and the new renewable energy platform. Its price right now could be a bargain for investors who are willing to [buy and hold the stock for the long run](#). It might be worth keeping a close eye on GFL Environmental stock if you don't already have it in your portfolio today.

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Date

2025/08/14

Date Created

2022/01/04

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