



Why Uni-Select Stock Went Gangbusters, Climbing 20% on Friday

Description

Shares of **Uni-Select** ([TSX:UNS](#)) soared on Friday, climbing 20% in early trading. This came after the company reported strong results for the fourth quarter and 2021 in review.

What happened?

Uni-Select stock reported consolidated sales of \$1.6 billion on Feb. 18 for the full year — a \$141 million increase, or 9.6%, year over year. Furthermore, it reduced its long-term debt by \$87.2 million compared to last year. The news came as the company continues to see [positive](#) momentum through market recovery from the COVID-19 pandemic.

Shares of Uni-Select stock climbed over 20% in early trading and kept jumping at the news. The company saw sales jump 10% year over year, with adjusted EBITDA of \$147 million putting them back in positive territory. Uni-Select also saw cash flow come in at \$114 million, reducing net debt down to \$309 million. This is the lowest it's been since 2017.

So what?

While other companies continue to warn consumers that they may see less growth than 2021, Uni-Select stock expects the exact opposite. There should continue to be modest improvement, according to management. This should lead to higher adjusted EBITDA and adjusted earnings per share compared to the year before.

While the fourth quarter was impressive, with EBITDA increasing 45.9% year over year to \$31.3 million, it was the full year investors loved. Here, EBITDA increased 42.1% to \$91.9 million. This resulted in an adjusted EPS of \$0.36 for the fourth quarter and \$1.14 for the year.

Now what?

Now that it's back in the black, the benefit will also mean the company can focus on lower financing costs, and creating a more optimized cost structure. This should mean more balance sheet [improvements](#) but also perhaps strategic acquisitions.

These acquisitions could bring Uni-Select stock back from the ditches. The company fell steadily from 2017 to May 2020, when it started to steadily climb back up. Now, it's up 213% in the last year alone. Yet it still trades at a fairly valuable 17.09 times earnings for the next 12 months.

Shares of Uni-Select stock are up 20% since market open on Friday as of writing.

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Date

2025/07/20

Date Created

2022/02/18

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