



## TFI Stock: An Under-the-Radar Growth Share to Buy and Hold

### Description

**TFI International** ([TSX:TFII](#)) has had quite a wild year. Shares of TFI stock remain down 5% year to date, but if you zoom in, the situation is far different. In the last three months alone, TFI stock has climbed 20%, where it's [stabilized](#).

Stable may not sound exciting, but given the market performance as of late, it's definitely something to be celebrated. Shares of the TSX continue to drop and are currently down 12.4% year to date. So, what's so special about TFI stock that it's doing *this* well?

### But first, why the fall?

Before the climb came the fall, so it's important to first go over why TFI stock fell in the first place. This seemed to be more related to the broader markets, however, with the transportation company seeing a dip as inflation and interest rates rose.

With less consumption, it was likely believed that TFI stock would see slowing growth. Analysts cut their estimates, which came even as earnings beat estimates earlier in the year. However, what analysts and investors didn't expect was for the company to then turn around and use its ample cash to reinvest in its business.

Shares eventually fell by 33% between January and July 2022, before making a huge turnaround.

### The climb

The huge turnaround seems to have come from the reinvestment in the business, namely in the form of a sale and strong earnings. TFI stock did report that earnings and net income were down year over year. However, it further reported that adjusted diluted earnings per share (EPS) increased by a substantial 81% year over year as well.

On top of this, TFI stock announced it would be selling off its Contract Freighters dry van and

temperature-controlled truckload business to **Heartland Express** for US\$525 million. This more than half-a-billion-dollar deal surged the company back upwards, creating an amazing opportunity for investors.

And what's more, the company was already beating our earnings estimates. Now, it should soar past them. Yet even now the stock remains a deal for any investor to consider.

## How much of a deal?

TFI stock currently trades at just 14.82 times earnings, putting it inside [value territory](#). Further, it now has a strong balance sheet. It currently would take just 89.09% of its equity to cover *all* of its debts. This is huge news for investors looking for a stable long-term stock to hold.

And I do mean long term. Basically ignoring current performance, shares of TFI stock has surged 4,662% in the last two decades! That's a compound annual growth rate of 21.54%. And that's bound to continue once a recession or downturn is over. Consumers *will* come back, leading to major growth for this stable stock.

Plus, you can add in a 1.16% dividend yield as of writing to help along your earnings. So, while shares are up 20% in the last three months and 6% in the last month, it's still a deal to buy it while it's down 5% year to date. This is one deal I would be wary of missing out on.

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