



TFI Stock Looks Like a Deal Right Now

Description

The **S&P/TSX Composite Index** has had a wild year in 2022. As we approach the end of the year, the Canadian benchmark index is down by 12.34% from its 52-week high. As of this writing, it has recovered by 6.89% from its October 11, 2022, level. All this volatility has created many opportunities for stock market investors, who have learned to use unstable markets to make [high-quality investment decisions](#).

TFI International ([TSX:TFII](#)) is one such stock that warrants being on the radar for investors seeking good deals on the TSX. The \$10.53 billion market capitalization Canadian transport and logistics company began the year on a downward slope.

It reached its lowest for the year in mid-June, only to surge close to its 52-week high by August. As of this writing, TFII stock is down by 18.7% from its 52-week high and up by 29% from its 52-week low.

It is in no way, shape, or form a stable stock. However, it could be an excellent pick for [value-seeking investors](#). Let's take a closer look.

A fall from grace

The Saint-Laurent-based transportation giant began 2022 with its share prices falling by a third between January and July 2022. The decline could be attributed to the broader market downturn. However, the dip was particularly pronounced, as inflation persisted, and central banks increased key interest rates to combat it.

The company operates primarily in Canada, the U.S., and Mexico through four business segments. Rising living costs led to the anticipation of reduced consumption. Analysts saw lower consumption as a reason for potentially slowing growth for the company, prompting them to cut their estimates. The reduced estimates came in, despite the company beating its earnings estimates last year.

Investors and analysts failed to anticipate that the company would use its liquidity to reinvest in the business and bolster its position, leading to its climb.

The turnaround

The reinvestment in its business clearly paid off for the company, resulting in strong earnings and a sale. TFII stock reported lower earnings and net income than last year, but its adjusted diluted earnings per share grew by a massive 81% year over year.

The company's decision to sell off its Contract Freighters dry van and temperature-controlled truckload business segments for a deal worth US\$525 million gave it a big boost. The half-billion-dollar deal saw its share prices skyrocket, allowing the company to beat earnings estimates and soar past them.

Foolish takeaway

As of this writing, TFII stock trades for \$120.84 per share. The company announced its third-quarter results for fiscal 2022 on October 27. Its operating income increased by 66% from the same quarter last year. Its net income jumped by 86%, and its adjusted net income increased by 30% compared to last year.

It trades at 15 times earnings at current levels, putting it within value territory. The company has a strong balance sheet and looks well positioned to be a solid long-term, buy-and-hold stock.

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