



Here's the Next TSX Stock I'm Going to Buy

Description

Last year was tough for investors and the **TSX** in general. Yet, not every TSX stock underperformed in 2022. In fact, one of the best performers of the year *continues* to climb, and should even climb further. That's why it's the next TSX Stock I'm likely to buy, and here's why.

First, I'm interested in the industry

The TSX stock I'm interested in buying next is in the [transportation industry](#). In general, transportation has always been a necessary part of our economy, shipping products to and from locations. However, in the past few years, it's become even more so, especially post-pandemic.

So when I discovered a fleet management and finance company that operates vehicles located in Canada, the United States, Mexico, Australia and New Zealand, I was already quite interested. This TSX stock offers its services to public service fleets, commercial fleets, and even the government. And it doesn't just focus on the shipment of products, but construction and oil and gas, as well as food and beverage products. That's diversification when you need it most.

And the TSX stock I'm considering? **Element Fleet Management** ([TSX:EFN](#)).

Earnings prove its worth

Now I don't usually like to narrow my focus to earnings when it comes to choosing a TSX stock. But in this case, it's not that Element stock had a recent great earnings report. No, it's that it's had several! The company blew past estimate after estimate, and is likely to do so again when earnings come out next month.

Yet, its recent third-quarter earnings were [certainly noteworthy](#). Net revenue grew 19% year over year, with an expected 6% to 9% increase in net revenue for the full year. And those numbers are only from organic results.

Furthermore, the company increased its common dividend by 29% during its recent earnings announcement. That dividend now sits at 2.19% as of writing. Finally, even with all this growth in business and share price, up 58% in 2022 alone, EFN is a solid price. Element stock trades at 20.2 times earnings. Not too valuable, but not pricey either.

More growth on the way

While 2022 was smashing, some may ask whether 2023 will see the same amount of growth. In my opinion, it will. Hence, my interest in acquiring shares. Most recently, the TSX stock announced the addition of 16,500 Rentokil Terminix vehicles to its current 4,700 in the United States in a new five-year contract.

This is a huge addition to the company's already strong portfolio, and is very likely to influence earnings for the fourth quarter next month. So, yes, I do believe that more strength will come for Element stock in 2023, but more importantly beyond that. Shares have more than doubled in price in the last decade alone. Frankly, given its recent movement, I believe it could do that again.

Bottom line

Element stock had a solid 2022, becoming one of the few stocks to actually increase by double digits throughout the year. Impressively, the stock didn't suddenly drop off in the last few months.

And 2023 is proving to be an even bigger opportunity for investors seeking growth. While the first half may be rough, I predict Element stock will see a lot of attention in the months ahead as investors fix their attention on growth once more coming out of a potential recession.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:EFN (Element Fleet Management Corp.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. alegatewolf
2. cleona

Category

1. Investing
2. Stocks for Beginners

Date

2025/07/01

Date Created

2023/01/09

Author

alegatewolf

default watermark

default watermark