



TFI International: Can This Hot Stock Keep its Recent Growth Streak Alive?

Description

The **S&P/TSX Capped Industrials Index** was down half a percentage point in early afternoon trading on February 14. Today, I want to zero in on one of the hottest stocks on the TSX that has thrived in this [space](#). **TFI International** ([TSX:TFII](#)) is a Montreal-based company that provides transportation and logistics services in the United States, Canada, and Mexico. This is a [growth stock](#) that still has room to run in the weeks and months ahead.

Here's how this stock has performed over the past year

Shares of TFI International have [climbed 24%](#) year over year at the time of this writing. The bulk of those gains have been achieved since January 1, 2023. TFI's impressive run in the new year has vaulted the stock to a 52-week high over this past week. Investors who want to take a closer look at its recent performance can play with the interactive price chart below.

Why I'm excited about TFI International's future

This company offers exposure to the burgeoning transportation and logistics space. That should pique investor interest in TFI International and its peers.

Market Research Future recently projected that the global freight and logistics market would deliver a compound annual growth rate of 4.3% from 2022 through to 2030. This market is set to benefit from an improvement in services that include delivery methods, value-added services, and order fulfillment.

Investors should be pleased with its recent earnings

TFI International unveiled its fourth-quarter (Q4) and full-year fiscal 2022 earnings on February 6. In Q4 2022, operating income increased 1% year over year to \$216 million. Meanwhile, it delivered adjusted net income growth of 2% to \$151 million. Adjusted diluted earnings per share (EPS) climbed 10% to \$1.72. Moreover, net cash from operating activities surged 30% to \$248 million.

For the full year, the company reported total revenue of \$8.81 billion, which was up from \$7.22 billion for the full year in fiscal 2021. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. This measure aims to give a better picture of a company's profitability. TFI International reported adjusted EBITDA of \$1.42 billion in fiscal 2022 — up from \$1.07 billion in the prior year.

The company reported adjusted net income of \$731 million, or \$8.02 per diluted share, for the full year in fiscal 2022. That was up from \$498 million, or \$5.23 per diluted share, for the same period in fiscal 2021. Net cash from operating activities rose to \$971 million compared to \$855 million in the previous year. Overall, TFI International put together a strong fiscal 2022, which should draw in investors, as we look ahead to its first-quarter results in 2023.

TFI International: Should you buy the stock today?

In Q4 2022, TFI International's board of directors approved a quarterly dividend of \$0.35 per share — up 30% from the previous year. That represents a modest 1.1% yield.

Shares of TFI International currently possess a favourable [price-to-earnings ratio of 13](#). It is trading in more attractive value territory compared to its industry peers. This stock has had a terrific start to 2023, but it still offers very solid value at the time of this writing.

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