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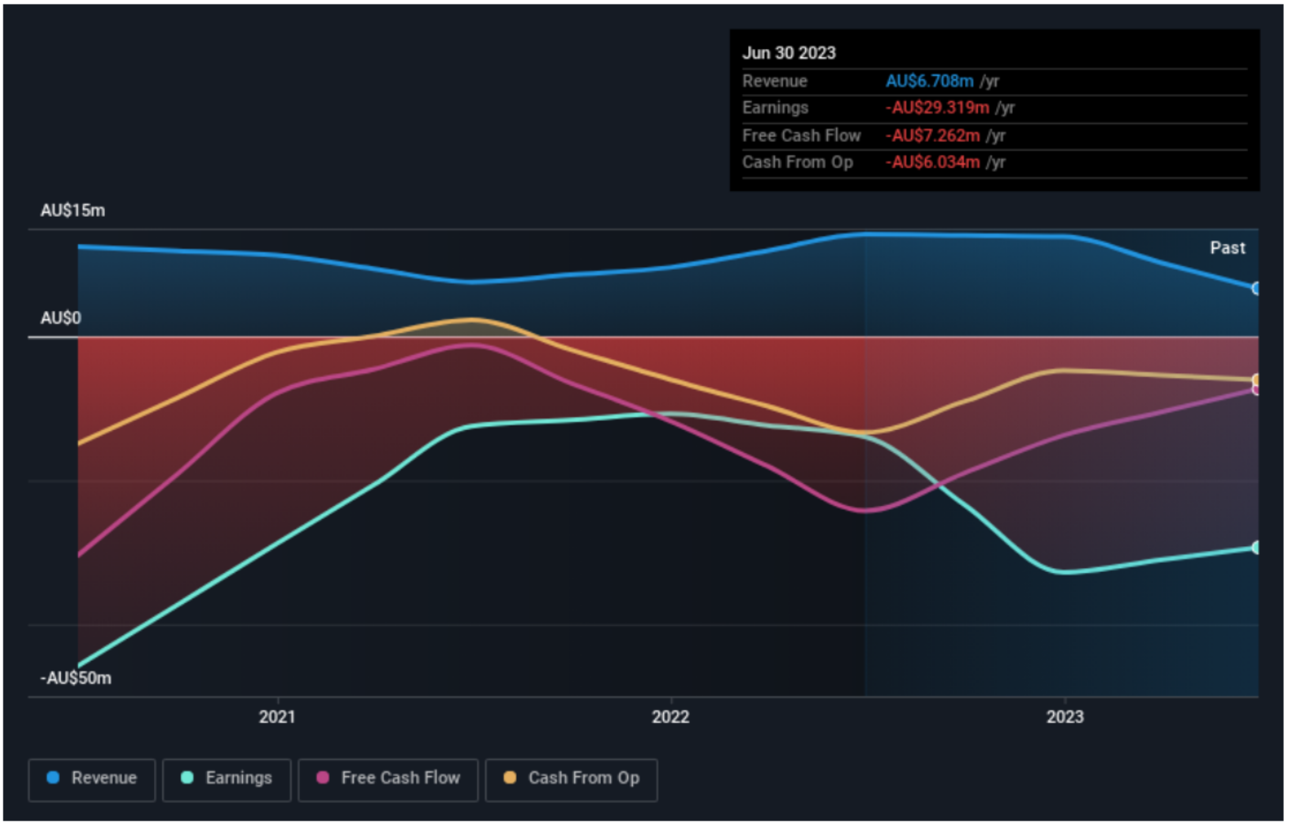
The simplest way to invest in stocks is to buy exchange traded funds. But investors can boost returns by picking market-beating companies to own shares in. To wit, the **Buru Energy Limited** (ASX:BRU) share price is 59% higher than it was a year ago, much better than the market decline of around 0.2% (not including dividends) in the same period. If it can keep that out-performance up over the long term, investors will do very well! Looking back further, the stock price is 45% higher than it was three years ago.

On the back of a solid 7-day performance, let's check what role the company's fundamentals have played in driving long term shareholder returns.

Because Buru Energy made a loss in the last twelve months, we think the market is probably more focussed on revenue and revenue growth, at least for now. Shareholders of unprofitable companies usually expect strong revenue growth. As you can imagine, fast revenue growth, when maintained, often leads to fast profit growth.

Buru Energy actually shrunk its revenue over the last year, with a reduction of 53%. Despite the lack of revenue growth, the stock has returned a solid 59% the last twelve months. To us that means that there isn't a lot of correlation between the past revenue performance and the share price, but a closer look at analyst forecasts and the bottom line may well explain a lot.

The graphic below depicts how earnings and revenue have changed over time (unveil the exact values by clicking on the image).



ASX:BRU Earnings and Revenue Growth November 4th 2023

Balance sheet strength is crucial. It might be well worthwhile taking a look at our **free** report on how its financial position has changed over time.

A Different Perspective

It's good to see that Buru Energy has rewarded shareholders with a total shareholder return of 59% in the last twelve months. There's no doubt those recent returns are much better than the TSR loss of 8% per year over five years. This makes us a little wary, but the business might have turned around its fortunes. I find it very interesting to look at share price over the long term as a proxy for business performance. But to truly gain insight, we need to consider other information, too. For instance, we've identified **5 warning signs for Buru Energy** (2 are significant) that you should be aware of.

Of course, **you might find a fantastic investment by looking elsewhere.** So take a peek at this **free** list of companies we expect will grow earnings.

Please note, the market returns quoted in this article reflect the market weighted average returns of stocks that currently trade on Australian exchanges.