



## 2 Value Stocks That Can Soar up to 30% in the Next 12 Months

### Description

You want to buy stocks on sale because that's when they offer great value. Here are two stocks that have dipped meaningfully from their recent highs and are now trading at cheaper multiples.

**Intertape Polymer Group** ([TSX:ITP](#)) stock has declined about 25% from its recent high due partly to higher costs from polypropylene. Over the years, the specialty packaging company has built a leading position for its core products in North America.

About 63% of its sales come from products, which has a top two market position in the continent. These include various carton-sealing tapes, industrial and specialty tapes, and different woven products for agro-environmental and building and construction use. So, the company is here to stay.

Intertape Polymer's long-term returns have been impressive. Since the end of 2007, Intertape Polymer has delivered an annualized rate of return of ~22.4%. This is thanks particularly to management making accretive acquisitions since 2012, which allowed the company to generate a return on equity of +15% every year in that period.

The Street consensus from **Thomson Reuters** has a 12-month mean price target of US\$20.80 per share on the stock, which represents ~30% upside from the recent price of CAD\$19.15 (using a more conservative forex of US\$1 to CAD\$1.20). Moreover, Intertape Polymer offers a safe ~3.5% yield that helps to boost returns.



**Tricon Capital Group Inc.** ([TSX:TCN](#)) stock has dipped about 12% from its 52-week high, as the company is transforming itself, and the market doesn't like the increased uncertainty. It has been making acquisitions and selling non-core assets.

Tricon Capital has been in operation for ~29 years, but it only became publicly listed in 2010. The company invests in North American residential real estate with a strong focus (91% of its assets) in the U.S.

Since 2013, the company has increased its book value per share by roughly 15% per year. This translated to annualized returns of 13.5% on the stock. Let's not forget that these are the results *after* the stock just had a pullback of ~12%.

With about \$5.9 billion of assets under management, of which 73% are the company's principal investments and co-investments, investors can invest along with the management, whose interests are well aligned with that of the shareholders while the shares are cheap.

The Street consensus from Reuters has a 12-month mean price target of US\$10.90 per share on the stock, which represents ~24% upside from the recent price of CAD\$10.53. Tricon Capital also offers a secure ~2.5% yield that helps to boost returns.

### **Investor takeaway**

Intertape Polymer and Tricon Capital can appreciate handsomely in the near term, which would help boost the total returns in a diversified portfolio.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:ITP (Intertape Polymer Group)
2. TSX:TCN (Tricon Residential Inc. )

#### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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