

3 Stocks to Add to Your TFSA for the Long Haul

Description

The S&P/TSX Composite Index moved up nine points on May 2. It was another modest day for the TSX, as major U.S. indexes were again thrashed. The adage “sell in May and go away” appears to be holding firm, even in the midst of solid first-quarter earnings for many top companies.

Investors in Canada should be on the hunt for opportunities rather than retreating to the sidelines. The TSX has rebounded somewhat after a difficult February and March, as top companies are starting to release earnings. Today, we will focus on three stocks that are potentially attractive additions to your TFSA in May.

Stantec Inc. ([TSX:STN](#))([NYSE:STN](#))

Stantec is an Edmonton-based professional services company. In February 2018, activity in the professional, scientific, and technical services industry increased 0.6%. This represented the third increase in the past four months. Shares of Stantec have dropped 7.8% in 2018 as of close on May 2. The company is expected to release its first-quarter results early this month.

In 2017, Stantec reported net revenue of \$3.41 billion, representing a 10.3% increase from the prior year. Adjusted EBITDA grew 3.2% to \$363.4 million, and adjusted net income climbed 11.5% to \$202 million. With pressure in Canada and the United States to [ramp up infrastructure spending](#), companies like Stantec should benefit in the coming years. The stock also offers a quarterly dividend of \$0.1375 per share, representing a 1.5% dividend yield.

Sleep Country Canada Holdings Inc. ([TSX:ZZZ](#))

Sleep Country Canada is a Brampton-based mattress retailer. Shares of Sleep Country Canada have increased 3.7% in 2018 but are down 2.2% year over year. The company is expected to release its first-quarter results after trading closes on May 7.

Sleep Country Canada released its 2017 fourth-quarter and full-year results on March 1. In Q4 revenue climbed 13.4% to \$153.6 million, and same-store sales posted 9.6% growth. For the full year, revenue rose 12.3% to \$588 million, and adjusted net income climbed 21.3% to \$62 million. The company also opened 12 new stores in 2017. Sleep Country Canada has seen success with the launch of its e-commerce platform and also hiked its marketing expenditure, which has netted good results.

The stock offers a dividend of \$0.165 per share, representing a 1.9% dividend yield.

Andrew Peller Ltd. ([TSX:ADW.A](#))

Andrew Peller is a Grimsby-based wine-producing company. Its Class B shares have climbed 10% in 2018 as of close on May 2 and have surged 68% year over year. The wine industry is in a fantastic position to benefit from long-term trends that suggest millennials, now the most populous generation in North America, have [turned to wine](#) as their preferred alcoholic beverage of choice.

The company is expected to release its fiscal 2018 fourth-quarter results in early June. In Q3 2018, Andrew Peller saw sales rise 10.1% year over year, and adjusted EBITDA climbed 27.5% year to date. In the first nine months of fiscal 2018, Class A shares offered a dividend of \$0.18 per share.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:STN (Stantec Inc.)
2. TSX:ADW.A (Andrew Peller Limited)
3. TSX:STN (Stantec Inc.)
4. TSX:ZZZ (Sleep Country Canada)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/08/14

Date Created

2018/05/03

Author

aocallaghan

default watermark

default watermark