3 Struggling Stocks to Consider in September

Description

The **S&P/TSX Composite Index** rose 29 points on August 24. Last week had seen the index finish in positive territory, which is encouraging when investors consider the choppy start in August. It may be too late to buy low on cannabis stocks as the major producers are building momentum, but that does not mean that there aren't good bargains available on the TSX.

Today we are going to look at three stocks that could come at a discount as we look ahead to September. Two of these stocks have offered incredible growth since their initial public offering. The other offers solid income and has posted several consecutive years of dividend growth. Let's take a look.

High Liner Foods (TSX:HLF)

High Liner Foods stock rose 0.68% to finish the week on August 24. The company is engaged in the processing and marketing of prepared and packaged frozen seafood products. Shares have plunged nearly 50% in 2018 so far. The stock is now trading at more than a five-year low.

High Liner released its second-quarter results on August 14. Sales rose $12.9 million year-over-year to $245.3 million and gross profit jumped $5.5 million to $43.3 million. Adjusted EBITDA and adjusted net income fell by $1.4 million and $2.3 million, respectively. The company was damaged by a significant product recall in April 2017 that hit sales volumes by the tune of 2.5 million.

Newly anointed CEO Ron Hepponstall has put forth a concerted effort to improve operational efficiency. The company aims to complete the first phase of this push by the end of 2018. High Liner also boasts a quarterly dividend of $0.145 per share, representing an attractive 7.7% dividend yield.

Shopify (TSX:SHOP)(NYSE:SHOP)

To suggest that Shopify stock is undervalued may elicit a chuckle from some readers. Shares are up 43.9% in 2018 so far and the stock is up over 400% since its initial public offering in May 2015. However, Shopify has taken a major hit since reaching all-time highs in June and July. Back in August I'd discussed why it may be a suitable target after dropping below $200.

Shopify had a very solid second quarter, although it has continued to attract concerns about the quality of its merchant user growth. Total revenue rose 62% year-over-year to $245 million and it reported adjusted net income of $2.5 million or $0.02 per share over an adjusted loss of $1.1 million or $0.01 per share in Q2 2017.

Canada Goose (TSX:GOOS)(NYSE:GOOS)

Canada Goose stock may draw the same surprise from readers that the Shopify inclusion does. Shares of Canada Goose have surged 85% in 2018 so far and the stock is up over an incredible 300% since its IPO in March 2017. It has been one of the premier growth stocks on the TSX in that period. The company released its fiscal 2019 first-quarter results on August 9.

This is the slowest period for Canada Goose, but its revenue was still up 58.5% from the prior year to $44.7 million. Its direct-to-consumer revenue reached above 50% of the total at $23.2 million. This is very encouraging ahead of its busiest season as its e-commerce channel continues to post impressive growth. Investors should still consider entry points as we head into the fall.

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