

## 3 More Amazing “Mighty Mouse” Stocks to Buy Now

### Description

Hello again, Fools. I’m back to highlight three small-cap stocks worth checking out — or, as I like to call them, my top “Mighty Mouse” picks.

As a quick reminder, I do this because small companies

- have [much more room to grow](#) than already mature large-cap stocks;
- are largely underfollowed by professional analysts on Bay Street; and
- can provide solid diversification benefits.

While dividend-paying blue chips are certainly more stable, the truth is that only small-cap stocks can offer [real multi-bagger upside](#).

So, without further ado, here are three attractive stocks with market caps below \$2 billion.

### Sierra slump

Kicking things off this week is **Sierra Wireless** ([TSX:SW](#))([NASDAQ:SWIR](#)), which sports a market cap of \$765 million. Shares of the wireless solutions technologist are now down about 20% over the past year versus a gain of 11% for the **S&P/TSX Capped Information Technology Index**.

Sierra delivered strong Q3 growth earlier this month. The problem? Management’s view of next quarter isn’t so hot.

Due to the ongoing trade war between the U.S. and China, Sierra now sees Q4 EPS of \$0.22-0.30 on revenue of \$200-208 million — both below the Bay Street consensus.

Of course, with the stock now trading at a forward P/E in the mid-teens, it might be an opportune time to get in on Sierra’s still-attractive *long-term* upside.

### Reading the tape

Next up, we have **Intertape Polymer Group** ([TSX:ITP](#)), which has a market cap of about \$990 million. The packaging company is down 18% year to date, while the **S&P/TSX Composite Index** is off 6% over the same time period.

Despite what its stock price suggests, Intertape continues to post solid results. In its Q3 report earlier this month, adjusted earnings increased \$4.9 million to \$20.3 million on strong revenue growth of 14.6%. Gross margin also expanded 20 basis points, suggesting that the company’s competitive position and cost structure remains firm.

Over the past five years, Intertape's dividend has increased a whopping 191%. At a current yield of 4.1%, the stock seems too good to pass up.

## Hardwoods floored

With a market cap of \$250 million, **Hardwoods Distribution** (TSX:HDI) rounds out our list. Shares of the hardwood lumber distributor are down 42% year to date versus a gain of 3% for the **S&P/TSX Capped Industrials Index**.

2018 hasn't been kind to Hardwoods, but things might be looking up. In its recent Q3, income increased 11.4%, while revenue jumped 12% to \$290.4 million. Management cited improving demand in U.S. markets for the solid results.

Right now, the stock trades at a cheapish forward P/E of 6.9, along with a decent yield of 2.6%. As long as you can handle some extra volatility — Hardwoods has a beta of 1.7 — the stock looks like a solid small-cap bargain.

## The bottom line

There you have it, Fools: three attractive small-cap stocks worth checking out.

As always, don't view these Mighty Mouse plays as formal recommendations. Instead, look at them as a jumping off point for further research. Small-cap stocks carry added risk and uncertainty with them, so extra due diligence is needed.

Fool on.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:ADEN (Adentra)
3. TSX:ITP (Intertape Polymer Group)
4. TSX:SW (Sierra Wireless)

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