3 Millionaire-Maker Stocks Hitting New 52-Week Lows

Description

Hi there, Fools. I'm back to call attention to three stocks trading at new 52-week lows. Why? Because the big gains in the stock market are made by buying attractive companies

- during times of maximum investor pessimism; and
- when they're available at a clear discount to intrinsic value.

As legendary value investor Warren Buffett once quipped, "Whether we're talking about socks or stocks, I like buying quality merchandise when it is marked down."

Let's get to it.

Medical emergency

Leading off our list is specialty hospital operator **Medical Facilities** (TSX:DR), which is down 62% in 2019 and currently trades near 52-week lows of $5.53 per share.

The stock has taken a beating over the past year on a string of disappointing quarters, and things only seem to be getting worse. On Thursday, the shares plummeted 27% after Medical Facilities posted Q3 EPS of -$0.28 and a revenue decline of 2%. More importantly, management cut its quarterly dividend 75% to $0.07 per share.

"Although the fourth quarter is typically our strongest quarter, the board of directors, after deliberate and thoughtful consideration, has concluded that a reduction in the distribution is prudent and in the best long-term interest of Medical Facilities," said CEO Robert Horrar.

The stock currently trades at a forward P/E of 11.

Diamond in the rough

Next up, we have diamond miner **Lucara Diamond** (TSX:LUC), whose shares are down a whopping

59% over the past year and trade near 52-week lows of $0.90 per share.

Excess supply and weak demand have crushed the stock price, but now might be an opportune time for aggressive Fools to pounce. In the most recent quarter, EPS clocked in at -$0.01 as revenue of $45.3 million topped estimates by $5 million.

Moreover, management met or exceeded all mining and processing activities during the quarter.

"Lucara's short-term view is that the market is now stabilizing," said CEO Eira Thomas. "Longer term, the fundamentals are expected to strengthen in line with supply shortfalls from mature depleting mines in Australia and Canada."

Lucara shares trade at a forward P/E of 15.

Faulty wire

Rounding out our list is wireless communications technologist **Sierra Wireless** (TSX:SW)(NASDAQ:SWIR), which is down 54% over the past year and trades near 52-week lows of $8.44 per share.

Sierra's transformation to an integrated IoT (Internet of Things) solutions company continues to be a bumpy one. In the company's Q3 results earlier this week, Sierra posted a net loss of $20 million, as revenue declined 14% to $174 million.

On the bullish side, the company managed a record quarter in new recurring services wins, suggesting that management's initiatives are beginning to gain traction.

"We continue to make strong progress on our transformation to an integrated IoT Solutions company," said CEO Kent Thexton. "In addition, we are continuing to drive greater efficiencies in our business under our two-year cost-reduction program."

Sierra shares trade at a forward P/E of 11.3.

The bottom line

There you have it, Fools: three ice-cold stocks trading near 52-week lows.

As always, don't see them as formal recommendations. Instead, view them as a starting point for more research. Trying to catch a falling knife can be hazardous to your wealth, so plenty of homework is still required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:DR (Medical Facilities Corporation)
3. TSX:LUC (Lucara Diamond Corp.)
4. TSX:SW (Sierra Wireless)

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Date
2025/08/16
Date Created
2019/11/10
Author
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