



TFSA Investors: 2 TSX Stocks That Can Offer 20% Gains in 2020

Description

When times are tough, you look at companies that are fighting every inch of the way. You also look at companies that are in the right place at the right time. Let's take a look at two companies, one from each category.

Maple Leaf Foods ([TSX:MFI](#)) is a consumer protein and food products company under leading brands, including Maple Leaf, Maple Leaf Prime, Schneiders, Mina, Greenfield Natural Meat Co, and others. It is Canada's largest food processor and has operations across Canada, the United States, Europe, and Asia. The company has had a tough last 12 months and is just 10% over its 52-week low. It is the perfect opportunity for investors to buy the dip.

The stock fell 14% last quarter after the results were not what the Street expected. I had written [about this in November](#), warning investors to be wary about this stock. The company reported sales of \$995.8 million for the third quarter of 2019, beating revenue estimates of \$983 million, but earnings came in 90% lower compared to expectations.

Maple Leaf claimed that the lower earnings were a result of China's ban on Canadian pork. The ban has since been lifted. However, the dreaded Coronavirus has reared its ugly head now, which might again impact demand. One plus point for the company is that its plant-based products grew at 30% in the last quarter. While this segment makes up less than 5% of the top line, it is an encouraging sign for Maple Leaf.

Analysts have lowered their 12-month price targets for the stock from an average of \$39 to \$32. That is still an upside of 23% from its current price. It's a good stock to hold for the year.

ATS Automation

While Maple is grappling with global changes, **ATS Automation** (TSX:ATA) is poised to reap the benefits of an increasingly automated world. ATS is an industry-leading automation solutions provider to companies across industries like life sciences, chemicals, consumer products, electronics, food, beverage, transportation, energy, and oil and gas.

ATS announced its second-quarter results for the month ending September 30, 2019. The company's revenues for the first half of the year were up 17% at \$680 million. Q2 revenues were \$341 million, up 20% over the prior-year period. Year to date, order bookings were \$744 million, up 4% year over year.

ATS ended the quarter with \$945 million of order backlog, up 14% over last year. This provides them with a good base of business to drive growth for the remainder of the year. Life sciences represents over 50% of the company's backlog.

The company is always on the lookout for acquisitions. In December 2019, ATS announced that it acquired MARCO Limited, a provider of yield control and recipe formulation systems to help customers in the food, nutraceuticals and cosmetics sectors increase productivity and meet stringent industry regulations.

In September 2019, it acquired iXLOG Unternehmensberatung GmbH, a Germany-based IT consulting and service provider specializing in business process optimization, business intelligence and analytics, primarily for large- and medium-sized industrial manufacturing customers.

Analysts covering ATS have given it an average price target of \$24.88 in the next 12 months. That's almost 20% up from its current levels. As the world goes automatic, ATS stock will go up.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:ATS (Ats)
2. TSX:MFI (Maple Leaf Foods Inc.)

PARTNER-FEEDS

1. Business Insider
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