3 Mid-Cap Stocks on the TSX to Buy Now

Description

Hi, Fools. I'm back to call your attention to three attractive mid-cap stocks. As a reminder, I do this because mid-cap companies — those with a market cap of between $2 billion and $10 billion — have two key features:

- more upside potential than large "blue chip" companies; and
- less downside risk than speculative small-caps.

In other words, if you want to hit it big in 2020 while limiting your downside, top mid-cap stocks offer a reasonable way to do it.

Let's get to it.

Kick the tires

Leading off our list this week is **Canadian Tire** (TSX: CTC.A), which currently sports a market cap of about $9 billion. Shares of the retail company are down slightly over the past year.

Canadian Tire's well-recognized brand, prime real estate locations, and scale advantages (over 1,700 locations across Canada) should continue to fuel strong price appreciation in 2020. In Q3, normalized EPS increased 10.5% as revenue clocked in at $3.6 billion.

Based on that strength, management increased the quarterly dividend 9.6% to $4.55 per share.

"We have been confidently focused on securing CTC's long-term competitive positioning," said CEO Stephen Wetmore. "Our ability to operate as one company, having built the foundation supporting the most critical parts of our strategy, now positions us to focus on our Operational Efficiency program."

Canadian Tire shares offer a solid dividend yield of 3.1%.

Video star

With a market cap of $8.7 billion, **Quebecor** (TSX:QBR.B) is our next mid-cap marvel. Shares of the Montreal-based telecom are up roughly 10% over the past year.

Quebecor should continue to lean on successful telecom subsidiary Videotron (connects to over 2.8 million homes in Quebec) to drive strong performance in 2020. In the most recent quarter, adjusted EBITDA increased 7.4% to $509.3 million.

Moreover, Videotron increased revenues from mobile telephony ($17.4 million or 12.6%), internet access ($7.3 million or 2.7%), and customer equipment sales during the quarter.

“During the quarter, we once again demonstrated our ability to stay at the leading edge of evolving consumer needs and maintain our position as a leader in innovation and customer experience,” said CEO Jean-Francois Pruneau.

Qubecor currently offers a dividend yield of 1.3%.

Pot shot

Rounding out our list this week is **Cronos Group** (TSX:CRON)(NASDAQ:CRON), which sports a market cap of around $3 billion. Shares of the marijuana producer are down more than 50% over the past year.

While the stock has struggled on industry pricing concerns, Cronos’ key partnerships, strong leadership position, and still-respectable growth rates might be enough fuel for a 2020 rebound.

In the most recent quarter, revenue spiked 234% as the company sold 3,142 kilograms of cannabis — an increase of 511%.

“As demonstrated by our progress in the third quarter, we are making great strides to advance the development and diversity of our portfolio and to expand our manufacturing capabilities,” said CEO Mike Gorenstein.

Cronos shares currently sport a beta of 3.8.

The bottom line

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

As always, they aren’t formal recommendations — view them instead as a jumping off point for further research. Even the best mid-cap stocks can face serious trouble from time to time, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CRON (Cronos Group)
2. TSX:CRON (Cronos Group)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:QBR.B (Quebecor Inc.)

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