



## Here's My Top Stock for the Rest of 2020

### Description

Fool Canada just released its [top stocks for the month of April](#). I'd elected to focus on **National Bank**, one of Canada's unsung bank stocks that has dipped into oversold territory. These uncertain times are taking their toll on everyone. However, it is important that investors stay patient and focused. This is the time to emulate investing legends like Warren Buffett and to hunt for value.

### My top stock for the rest of this year

Fortunately for investors, there are many enticing value bets on the TSX Index in early April. In choosing my favourite stock, I'm looking for a strong balance sheet, good growth potential in a promising sector, and value.

**Park Lawn (TSX:PLC)** is my top stock for the rest of 2020. The company is a funeral, cremation, and cemetery provider. It has grown into a dominant force in this sub-sector. Park Lawn stock has plunged 37% month over month as of close on April 3. Today, I want to explore some of the reasons Park Lawn has drawn my attention to start the spring.

Moreover, the company reiterated the crucial public function it plays in this time of crisis and tragedy. Because of this, Park Lawn's business has been designated as an essential service.

### The demographic shift and a growing industry

When I pick a top stock, I want it to be a player in a growing industry. The growth in the proportion of seniors in the developed world is one of the most [significant demographic shifts](#) in modern history. By 2030, Statistics Canada projects that seniors will number over 9.5 million and make up nearly a quarter of the population. This will have a profound impact on the country.

Aging demographics will also impact countless industries. Death care services will see increased demand in the years to come. A ResearchAndMarkets report from 2018 projected that the United States death care market would reach revenues around \$68 billion by 2023. That would represent a

CAGR of 4% from the forecast period dating back to 2017.

## Good earnings and solid fundamentals

Park Lawn provides death care products and services in Canada and the United States. Its strong earnings are another reason I'd focused on it as my top stock for the rest of this year.

The company released its fourth-quarter and full-year results for 2019 on March 30. For the full year, revenues increased to \$244 million compared to \$161 million in 2018. Adjusted net earnings climbed to \$22.3 million over \$16.1 million in the prior year, and adjusted EBITDA posted over 50% year-over-year growth to \$53.2 million.

In 2019, the company invested roughly \$180 million in six strategic acquisitions that greatly bolstered its U.S. presence. Back in November 2019, Park Lawn upsized its borrowing capacity from \$175 million to \$250 million. Park Lawn boasts a fantastic balance sheet.

Park Lawn stock last possessed a favourable price-to-book value of 0.9. Shares last had an RSI of 29, putting it in technically oversold territory. The company last announced a March 2020 dividend of \$0.038 per share. This represents a 2.8% yield. I love Park Lawn's growth potential going forward, and its monthly dividend adds a nice boon for a portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. TSX:PLC (Park Lawn Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Dividend Stocks
2. Investing

### Tags

1. Editor's Choice

**Date**

2025/06/30

**Date Created**

2020/04/06

**Author**

aocallaghan

default watermark

default watermark