



1 TSX Stock That Can Beat the Index in 2020

Description

According to the 2017 Canadian Survey on Disability, over six million Canadians aged 15 and over (22% of the population) identify as having a disability. It is estimated that actual numbers are higher. For the United States, these figures are higher.

One in every four adults is disabled, and this number goes up to 40% for people over the age of 65. That's a total of 61 million disabled people living in the United States. As populations age, disability becomes more common.

By 2030, [almost 25% of Canada](#) is going to be over the age of 65. The corresponding figure for the U.S. will be 19%. Why am I talking so much about disabled and older people? Because they represent the market for an accessibility equipment provider like **Savaria** ([TSX:SIS](#)).

The world is increasingly becoming disabled-friendly, and Savaria is in a perfect position to reap the benefits. The global personal mobility market is around \$10-\$11 billion, according to a *Research and Markets* report. It is predicted to grow to \$18 billion by 2027.

Savaria designs, manufactures, and distributes accessibility equipment like stairlifts, vertical and inclined wheelchair lifts, and elevators for home and commercial use. It also [operates in the medical space](#) manufacturing and marketing pressure management products as well as long-term-care medical beds. The company also adapts vehicles to become wheelchair accessible.

This TSX stock reported Q1 results

Savaria recently announced its results for the first quarter of 2020. Revenue rose by 1.1% year over year to \$88.4 million. Gross profit has grown by 11.4% to \$30.1 million. Comparatively, adjusted net earnings have zoomed by 96.1% to \$7.18 million from \$3.66 million in 2019.

All 10 of Savaria's factories across the world continue to operate through the lockdown, and while people are traveling less, the pandemic has ensured that people will spend more time indoors. This is a great opportunity for Savaria, as people will make their homes more suitable for home medical care.

On May 11, the company announced that it had signed two contracts with two major home builders in Canada (Toronto, Ontario) and the U.S. (Baltimore, Maryland). Both these contracts are for home elevators and are worth a combined \$3 million.

Marcel Bourassa, president and CEO of Savaria, said, "We have long been aware that baby boomers are planning for the future and that plan often includes making their home accessible. We believe that COVID-19 impact may further increase the interest in products that help people stay in the home they love while maintaining autonomy and safety."

Savaria shares have a P/E ratio of 24.76, and the stock sports a forward dividend yield of 3.5%. The stock is resilient to the pandemic but experienced a steep drop recently when it fell from over \$14 to \$7.44 in March. It has since rebounded well to trade on the TSX at \$13.30 currently. Savaria's 52-week high is \$14.92. As lockdown restrictions ease, there is no reason why it can't scale that peak again.

CATEGORY

1. Dividend Stocks
2. Investing

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