



Here Are My Top Small-Cap Stocks to Buy This Summer

Description

A small-cap stock is generally a company with a market capitalization between \$300 million and \$2 billion. Today, I want to look at my favourite small-cap stocks on the TSX to target before the start of the summer. Let's dive in.

One small-cap stock in healthcare that has soared this spring

In late March, I'd discussed why **VieMed Healthcare** ([TSX:VMD](#)) was the [perfect stock](#) for investors to snag in the midst of the COVID-19 pandemic. VieMed provides in-home durable medical equipment and healthcare solutions. It has made waves as a supplier of ventilators. This small-cap stock has surged since March.

Shares of VieMed have climbed 131% over the past three months as of close on June 8. It was one of the few companies to raise its guidance in April ahead of its earnings release. In the first quarter, VieMed reported net revenues of \$23.8 million — up 31% from the prior year. Net income soared 117% year over year to \$4.2 million, and adjusted EBITDA rose 76% to \$7.9 million.

VieMed boasts a fantastic balance sheet and its well positioned to post solid growth going forward. Shares have soared to 52-week highs during the pandemic, but it looks like it has room to run in 2020 and beyond.

This stock is worth holding for decades to come

Park Lawn ([TSX:PLC](#)) is a funeral, cremation, and cemetery provider in North America. It has established itself as a dominant player in this growing industry. Moreover, North America's aging population will inevitably lead to increased demand for deathcare services in the years to come. These are some of the reasons I'd [recommended Park Lawn in April](#).

The small-cap stock has climbed 22% month over month as of close on June 8. In the first quarter of 2020, Park Lawn reported revenue of \$73.9 million compared to \$50.1 million in the prior year.

Adjusted EBITDA increased 45.6% year over year to \$17.1 million.

Park Lawn possesses an excellent balance sheet, which has powered its aggressive acquisition strategy in the industry in recent years. Shares last had a favourable P/B value of 1.2. Park Lawn declared a monthly dividend of \$0.038 per share in May, which represents a 1.8% yield.

This small-cap stock had a roller-coaster ride finish to the 2010s

Pollard Banknote ([TSX:PBL](#)) is a Winnipeg-based company that manufactures and sells a range of gaming products and services for the lottery and charitable gaming industries worldwide. Shares of this small cap have climbed 17% month over month. The company released its first-quarter 2020 results on May 6.

Sales at Pollard hit \$102.2 million compared to \$97.5 million in the prior year. The company's lottery business lines generated good volumes of instant tickets, even with the COVID-19 pandemic providing headwinds. A weak Canadian dollar offset gains in Q1, so the strengthening of the dollar in recent weeks should provide a boost going forward.

The company still boasts solid growth potential in the reliable lottery space. Shares are still down 10.9% in 2020 so far. This small cap still offers decent value after its Q1 earnings release.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:PBL (Pollard Banknote Limited)
2. TSX:PLC (Park Lawn Corporation)
3. TSX:VMD (Viemed Healthcare)

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Date

2025/07/02

Date Created

2020/06/09

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