



3 TSX Stocks to Buy on Sale

Description

Many stocks trading on the **TSX** have taken a hit because of the coronavirus pandemic. Even if they have rebounded, many TSX stocks are still trading at dirt-cheap prices.

Aecon Group ([TSX:ARE](#)), **Equitable Group** ([TSX:EQB](#)), and **Canadian Tire** ([TSX:CTC.A](#)) are three quality TSX stocks that are trading at low P/Es. Buy them while they are still cheap. The three stocks are expected to have good earnings and revenue [growth](#) in 2021.

Aecon Group

Aecon Group is one of the largest construction and infrastructure development companies in Canada. It offers integrated solutions to clients in the private and public sectors through its Construction segment in the civil, urban transport, nuclear, public, and industrial services. It provides project development, financing, investment, and management services through its Concessions segment.

Expect more infrastructure spending from governments in Canada to stimulate economic growth during COVID-19, which should benefit Aecon. Earnings per share have increased at a CAGR of 23% over the past five years, with a dividend CAGR of 14% over the past nine years.

Aecon's shares have a current dividend yield of 4.2%. The company has increased its dividend payout eight times over the past 10 years — and the dividend per share is forecast to grow by 13.8% in the coming year.

Revenue and EPS are expected to grow by 12% and 84%, respectively, in 2021. Aecon has a forward P/E of 13.2.

Equitable Group

Equitable Group is a Canadian financial services company that operates through its wholly owned subsidiary Equitable Bank, which has become the ninth independent Schedule I bank in Canada

thanks to its branchless approach and customer service focus in providing home loans, business loans, and savings solutions to Canadians.

EQ Bank, the company's digital banking platform, recently announced that it has [exceeded \\$3 billion in deposits](#).

One of the long-term effects of the current pandemic will be to accelerate the adoption of digital banking services, which will benefit Equitable.

Revenue and EPS are expected to grow by 8% and 20%, respectively, in 2021. Equitable's shares have a current dividend yield of 2%.

In May, Equitable announced a 19% increase over the dividend declared in May 2019. Equitable is one of the cheapest among TSX stocks with a forward P/E of only 5.9.

Canadian Tire

Canadian Tire is one of the few TSX stocks in the retail sector.

The COVID-19 pandemic has reshaped the approach to e-commerce at Canadian Tire. Executives believe increased online spending heralds long-term changes in retail.

President and CEO Greg Hicks said that the company is "now going to pour gas" on an existing project to upgrade its e-commerce sites. The change later this year will allow for greater scale.

The company has seen revenue decline due to store closings. However, it has faced an increasing demand for e-commerce that has outgrown its website capacity.

During the pandemic, the company recorded a 44% increase in e-commerce sales across all banners and an 80% growth for Canadian Tire.

The new platform should help Canadian Tire meet the increase in online shopping and boost its revenue. As stores reopen, it should also help to increase the retailer's sales in the coming quarters. The pandemic took a hit on its revenue and earnings in its first quarter, but it's likely just a temporary situation.

To maintain financial flexibility during the crisis, Canadian Tire suspended share buybacks. It also obtained an additional \$650 million credit facility from four Canadian financial institutions. In addition, the company continued to reduce costs and delay investments in certain projects.

Revenue and EPS are expected to grow by 7% and 55%, respectively, in 2021. The company pays a quarterly dividend which currently yields 3.6%. Canadian Tire stock is cheap with a forward P/E of 9.7.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:ARE (Aecon Group Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:EQB (EQB)

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