



Goodfood Stock Up 145%: Too Late to Buy?

Description

Investors got excited a few months back. While the pandemic still raged across the world, it looked as though the markets were rebounding nicely. The **TSX Composite** continue to climb after falling about 40% in March. Now was the opportunity many were seeking.

But analysts started a word of warning: [more dips were coming](#). The pandemic continues to rage on, and could be here well into 2021. It could be that this will be the new, albeit temporary, normal. Not only that, we could be looking at several dips along the way that also could be in the 30% to 40% range.

But just because the TSX is down doesn't mean every stock is. Take **Goodfood Market Corp.** ([TSX:FOOD](#)). The company has been a defensive play, but only recently. It could mean that should another downturn hit, there could be an opportunity to buy up this stock and see it rise yet again. This could mean huge rewards over the next several years.

Goodfood growth

Many were wary about Goodfood when the pandemic hit. The company had some struggles, as it reached out to its distributors to see if it could still get the food expected by customers. If you already had Goodfood, you were first on the list. However, the company saw a huge increase in demand as everyone stayed home. In fact, deliveries were a day or two late in many cases.

But then things really turned around. The distributors stayed on board. The clients rolled in. The company added 450 new employees while others were laying them off, and Goodfood opened up a new distribution centre in Toronto after launching one in Vancouver just before the downturn.

The earnings report proved the company's worth during the pandemic. Subscribers increased 44% year-over-year during its last earnings report. The company also boasted net income and positive EBITDA for the first time in Goodfood history. This resulted in earnings per share of \$0.05. The company's revenue grew by 74%, gross profit by 77%, and sales by 63%.

What's next?

That's the big question. If you're looking to purchase Goodfood today, I would wait for another dip in the market before buying a stake. But once its earnings moves closer, its likely investors will see another major boost. The company is set to continue taking advantage of a pandemic environment.

People will continue buying Canada's most-popular meal kit service until the pandemic is over. Whether that's out of comfort or logistics, it really doesn't matter. And once you're hooked, you're hooked.

While it's unclear what the company plans for long-term revenue, Goodfood could be a great option to buy and sell in a few years' time. The company has already grown by 145% this year alone, and 234% since its initial public offering back in 2017.

Should this trajectory continue, you could be looking at shares of \$18 in the next three years at least. In fact, the company might think so too, as it plans to start repurchasing shares.

Bottom line

If you're going to buy up a stock during this [economic downturn](#), it really should be Goodfood. When another market dip comes, pick up a bunch of this stock and hold onto it until at least the pandemic subsides.

Goodfood stands to continue making record-breaking strides during the pandemic. However, until it can prove that it has some tangible long-term goals, I would keep a sell-by share price in mind.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/08/22

Date Created

2020/08/02

Author

alegatewolfe

default watermark

default watermark