2 TSX Stocks to Buy Amid the Pandemic

Description

The pandemic is an unusual event that has caused a market shift. Today, food-delivery services and end-of-life service providers are seeing their businesses grow. This is why **Goodfood Market** (TSX:FOOD) and **Park Lawn** (TSX:PLC) have strong value in this economy.

Goodfood Market

As Canada's leading online grocery company, Goodfood Market delivers meals and groceries to members from coast to coast for at-home dining. The company is benefitting from the growing popularity of home meals and online shopping due to the COVID-19 pandemic.

The online grocery company offers a subscription service, where customers receive free weekly at-home deliveries that include ready-to-cook meal kits, ready-to-eat foods, as well as private-label groceries.

Goodfood Market offers farm-fresh ingredients and a variety of easy-to-cook meal options that cater to different tastes and dietary restrictions.

Goodfood tasted profits for the first time in its history in the third quarter. The company was able to profit from increased demand during the pandemic.

Goodfood posted net income of $2.8 million, an improvement of $6.4 million compared to the same period of fiscal 2019, which corresponds to a basic profit per share of $0.05.

In the third quarter of fiscal 2020, sales topped $86.6 million, up $36.7 million, or 74%, from the same period last year.

In total, its gross profit reached $24.9 million — an increase of $10.8 million, or 77%.

For fiscal 2020, revenue is expected to be 70.8% higher than in 2019 to about $275 million, while earnings per share are estimated to grow by 57.9% from a year ago.

Goodfood stock was included in the Toronto Stock Exchange's TSX30, a flagship program that recognizes the 30 best-performing TSX stocks over a three-year period based on stock price appreciation. Shares of Goodfood have a CAGR of 63% over the past three years.

Park Lawn

Park Lawn provides goods and services associated with the disposition and commemoration of human remains. It owns and operates cemeteries, crematoriums, and funeral homes, as well as a funeral service business. It operates in five Canadian provinces and 15 U.S. states.

The case for investing in a death-care company currently looks particularly interesting. Park Lawn continues to operate as essential services during the pandemic, and its business model is essentially recession-proof. The death-care business stands to benefit from aging demographics in the United States and Canada.

Second-quarter results showed strong revenue growth, with an increase of 44.6% over the same period in 2019. Net income attributable to shareholders of Park Lawn was $6,632,514 in Q2 2020 compared to $1,458,782 in Q2 2019. On a diluted per-share basis, this represents $0.223 for 2020 compared to $0.049 in 2019.

For fiscal 2020, revenue is expected to be 30.7% higher than in 2019 to about $320 million, while earnings per share are estimated to grow by 28.7% from a year ago. Park Lawn pays a monthly dividend of $0.038 per share, which currently yields 1.6%. The stock has a CAGR of 15% over the last three years.

Park Lawn announced at the beginning of this month that it has acquired the assets of Bowers Funeral Service Ltd., a three-site funeral home business in Salmon Arm, Golden, and Revelstoke, British Columbia. This is an excellent opportunity for Park Lawn to expand its footprint in British Columbia.

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2. TSX:PLC (Park Lawn Corporation)

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