



2 Undervalued Stocks That Have a Solid Chance of Popping 50% in 2021

Description

The COVID-19 era brings a lot of uncertainty to businesses across various industries. Some companies are struggling while others are making hay in the health crisis. You can't cherry-pick investments, even if the TSX is performing better than expected (+8.13% year-to-date gain).

The tech sector was the runaway winner in 2020, although the healthcare and energy sectors led the way in Q1 2021. However, an industrial stock and a consumer discretionary stock can potentially deliver [superior returns](#). Both are undervalued stocks with solid chances of popping 50% or more in 2021.

Flying higher

Cargojet ([TSX:CJT](#)) is a great pick following its stellar performance in 2020. The air cargo business flourished exponentially due to the pandemic. The stock returned 109% last year. Its current share price of \$174.60 is 114% higher than it was a year ago.

Analysts covering Cargojet believe growth is unstoppable. They forecast the stock price to soar between 48% and 80% in the next 12 months. Some observers even say that shares of the \$3.02 billion company are undervalued by 37%. Last year was the first stage of growth. Cargojet is entering the second stage where it achieves a stable growth rate.

The full-year 2020 financial results speak for themselves. Cargojet's total revenue and Adjusted EBITDA grew by 41% and 87% versus full-year 2019. The company operated a record 52,225 flight block hours (35,704 hours in 2019), while fleet size increased to 28 all-cargo aircraft. Expect Cargojet to keep Canada's supply chains moving in 2021 and beyond.

Swelling adoption

Goodfood Market ([TSX:FOOD](#)) trades cheaper at \$9.64, although the [growth potential](#) is equally impressive. Analysts recommend a buy rating and predict the stock price to soar between 54% and

87% in the next 12 months.

All the good things are happening for the \$700 million online grocery company from Saint-Laurent. Goodfood delivers fresh meals and grocery products and offers ready-to-eat and breakfast meals. Yumm is a value meal kit for cost-conscious customers.

Management announced in early March 2021 that the active subscriber count reached 319,000 following the addition of 13,000 new active subscribers in Q2 fiscal 2021. The 30% increase versus the same period in fiscal 2020 indicates that last year, Goodfood's investments to increase consumer adoption of e-commerce grocery and meal solutions are paying off handsomely.

Goodfood's CEO, Jonathan Ferrari, said that apart from investments in subscriber growth, the company's cross-selling efforts expand the visibility of the company's grocery products. The volume is staggering, thanks to the successful marketing initiatives and promotions.

Ferrari adds, "We are thrilled with our continued growth and the confirmation of Goodfood's leadership in the Canadian online grocery market." He sees a great opportunity ahead, as demand for e-commerce grocery and meal solutions accelerate. Furthermore, according to Ferrari, Goodfood is in the early days of digitizing one of Canada's largest industries.

Next big winners

The business models of the two companies in focus fit perfectly well in the COVID environment. Cargojet will make sure there are no disruptions in Canada's supply chain. Goodfood will address the changing shopping and eating habits of Canadians. Investors should include these undervalued stocks in their watchlist or take positions now. The best is yet to come for the TSX's next big winners.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:FOOD (Goodfood Market)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/08/21

Date Created

2021/03/17

Author

cliew

default watermark

default watermark