



## These 4 Canadian Stocks Are Down Over 40%: Should You Buy?

### Description

Despite the rising COVID-19 cases worldwide, Canadian equity markets have remained strong, with the **S&P/TSX Composite Index** trading close to its all-time high. The expectations of demand recovery and improvement in corporate earnings have driven the equity markets higher. However, the following four companies are trading significantly lower from their respective 52-week highs and provide attractive buying opportunities.

### BlackBerry

Amid concerns over speculative trading and its weak fourth-quarter performance, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is trading over 68% lower than its January highs. However, the company's growth prospects look healthy. Amid increased remote working and learning, the spending on endpoint security and management could rise, benefiting the company. Meanwhile, BlackBerry has expanded the reach of its Spark platform by partnering with IBM.

The rising demand for advanced driver-assistance systems and data gateways and the growing electric vehicle (EV) market offer multi-year growth potential for BlackBerry. The company has also set a [promising fiscal 2022 outlook](#), with its Cybersecurity and BTS verticals expected to report double-digit growth. So, given its multiple growth drivers and significant decline in its stock price, [I am bullish on BlackBerry](#).

### Aphria

**Aphria** (TSX:APHA)(NASDAQ:APHA) has lost around 56% of its stock value compared to its February highs. Lower-than-expected third-quarter performance and weakness in the cannabis sector have dragged the company's stock price down. However, the steep correction provides an excellent buying opportunity for investors, given the expanding cannabis market amid increased legalization and the company's growth initiatives.

Aphria is focusing on introducing products with higher THC content to expand its market share.

Meanwhile, its proposed merger with **Tilray** could be a significant growth driver, as it consolidates the market share of the combined entity in domestic and international markets. Further, the synergy between the two companies could deliver \$20 million in savings within the first two years after completing the transaction.

## Real Matters

**Real Matters** ([TSX:REAL](#)), which services mortgage lending and insurance industries in North America, is my third pick. It is currently trading 47% lower from its 52-week high. The decline has dragged its valuation to attractive levels, with its forward price-to-sales and price-to-earnings multiple standing at 2.1 and 22.6, respectively.

Its proprietary platform, network management capabilities, and national footprint provide a significant competitive advantage. Meanwhile, company management has offered upbeat guidance for the next five years, with its market share projected to increase its market share significantly. Further, the company's strong customer base and high customer retention rate of 95% are encouraging. Given its high growth prospects, competitive advantage, and attractive valuation, Real Matters could deliver superior returns over the next two years.

## Goodfood Market

My final pick would be **Goodfood Market** ([TSX:FOOD](#)), which has lost above 44% of its stock value from its January highs. The concerns over its high valuation and shift in investors' focus towards value stocks have dragged its stock price down. Meanwhile, the structural shift to online shopping has created a long-term growth potential for the company.

Its growing customer base, expanding product offerings, and penetration into newer markets also bodes well with its growth prospects. Along with sales leverage, the investments in automation and technology have helped the company report positive adjusted EBITDA for four consecutive quarters. Given its attractive forward price-to-sales multiple of 1.5, healthy growth prospects, and improving margin, Goodfood Market could be an excellent addition to your portfolio.

### CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:FOOD (Goodfood Market)
4. TSX:REAL (Real Matters Inc.)

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