



## 2 Cheap TSX Stocks to Buy Before Earnings

### Description

Earnings and economic reports continue to flood into the market this month, giving Motley Fool investors some hope that perhaps the Omicron variant didn't destroy **TSX** stocks as much as we feared. It started with positive news from both Canada and the United States. More jobs were created than expected in January, and businesses didn't lose as much money as originally predicted either.

That means companies we originally thought would have done poorly these last three months, may have done quite well. In fact, they might have exceeded all expectations given that during this time came the holiday sale rush. So with earnings still coming in for TSX stocks, here are two I'd consider before earnings come out and possibly bump up their prices.

### Shopify

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) earnings are due out on February 16. The e-commerce company continues to be hit by wave after wave of tech-sector bad news. The company hit mid-January lows and has since started to [climb](#) back up, but is far off from the \$2,228 52-week high seen last year.

Yet analysts agree, Shopify stock is one of the TSX stocks that was completely oversold during the tech crash sell-off. Now, there's a substantial opportunity to buy up the company before earnings come out. And Shopify stock is expected to yet again exceed estimates. That's because the company managed to keep deliveries strong and stable even during the holidays, while some of its biggest competitors struggled.

Still, recently there have been dips in Shopify stock because of the risk involved as it ends fulfillment network contracts, bringing forth its own Shopify Fulfillment Network. Yet [long term](#), this will certainly bring more rewards than risk. Analysts project revenue around US\$1.34 billion, a 42% year-over-year increase. Meanwhile, earnings per share are expected to reach US\$1.27.

Shopify stock is a solid long-term investment, especially at these prices. Long-term investors will look back and kick themselves if they didn't get in while shares were so low among TSX stocks. And in the short term, analysts give it a consensus target price of about \$2,000 per share.

## Restaurant Brands

Another of the TSX stocks Motley Fool investors should consider is **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)). The parent company of restaurants Tim Hortons, Popeyes, and Burger King surprised investors last quarter, beating out estimates. It seems that the company may have hit its [stride](#), just in time for earnings due out February 15.

Restaurant Brands stock is far from its 52-week high of \$87, at just \$74 per share as of writing. Though not as drastic as Shopify stock, it's still one of the TSX stocks that Motley Fool investors continue to be concerned about. Of course, all related to the pandemic.

Fast-food chains may have struggled, but Restaurant Brands continues to find other opportunities to get people purchasing products. From at-home and curb-side delivery to more loyalty programs and new products, it's all contributing to more revenue for its earnings report. The company is even expanding Tim Hortons to China!

Now granted, the hit from Omicron and inflation is very real for Restaurant Brands. Short term, there are still some blows the company could take. That being said, the company could continue to outpace estimates, just in time for earnings. Analysts give the company a consensus earnings per share of \$0.94 for the quarter.

Meanwhile, the company has a consensus target price of \$97 as of writing. That's a potential upside of 31%. Furthermore, you get a 3.74% dividend yield buying today.

### CATEGORY

1. Investing
2. Stocks for Beginners

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)
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#### **Author**

alegatewolf

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