



What Market Selloff? These 2 Dividend Stocks Have Gained up to 30% in 2022

Description

The broader markets have been extremely volatile in 2022. Several tech stocks trading at expensive valuations have burnt massive investor wealth year to date. In the last six months, [equity markets are trading lower](#) due to the possibility of multiple interest rate hikes, rising inflation numbers, geopolitical tensions, supply chain disruptions, outstretched valuations, falling corporate margins, and much more.

But there are a few stocks that are thriving in an inflationary environment as they enjoy pricing power. Here, we look at two such TSX stocks in **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) and **Mullen Group** ([TSX:MTL](#)) that have surged 30% and 7%, respectively, in 2022.

Nutrien

A company that provides crop inputs and services, Nutrien is valued at \$70 billion, by market cap. Nutrien offers potash, phosphate, nitrogen, and sulfate products in addition to financial solutions. Further, it also distributes crop nutrients and crop protection products, seeds, and merchandise products through its network of 2,000 retail locations in the Americas and Australia.

In Q1 of 2022, Nutrien reported net earnings of US\$1.4 billion and adjusted EBITDA of US\$2.6 billion on the back of higher prices and strong performance from its retail business, which offset lower fertilizer sales volumes.

Nutrien also raised EBITDA guidance for 2022 to between US\$14.5 billion and US\$16.5 billion, while adjusted earnings are forecast between US\$16.20 and US\$18.70 per share. The company aims to allocate at least US\$2 billion towards share repurchases and US\$1 billion towards dividend payouts this year.

Shares of Nutrien have risen by 157% in the last five years and are up 30% in 2022. Despite its market-thumping gains, the stock is valued at 5.7 times forward sales while offering investors a dividend yield of 2%.

Nutrien is also trading at a discount of 25% compared to consensus price target estimates.

Mullen Group

A mid-cap company valued at \$1.2 billion, by [market cap](#), Mullen Group provides trucking and logistics services in North America. In the last few months, Mullen has expanded its service offerings via acquisitions, allowing the company to report record sales in Q1.

Its inorganic growth strategy should help Mullen gain market share, as customers adjusted to structural changes in the supply chain. Additionally, Mullen Group expects it can handle complexities associated with moving freight, which should translate to solid revenue numbers in 2022. However, it also explained that surging inflation and higher fuel costs have hurt profit margins in Q1.

In the March quarter, Mullen reported revenue of \$457 million, an increase of 57.3% year over year. Comparatively, adjusted earnings per share surged by 75% to \$0.21. Its stellar results allowed Mullen to increase quarterly dividends to \$0.18 per share in Q1, indicating a forward yield of a tasty 5.9%.

Analysts tracking the stock expect Mullen sales to rise by 24.4% to \$1.84 billion in 2022 while adjusted earnings are forecast to rise 21% to \$0.91 per share. So, it's valued at less than one times forward sales and a price-to-earnings multiple of 13.7, which is very reasonable.

Analysts tracking the stock expect shares to rise by 20% in the next 12 months.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:MTL (Mullen Group Ltd.)
3. TSX:NTR (Nutrien)

PARTNER-FEEDS

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

PP NOTIFY USER

1. araghunath

2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/14

Date Created

2022/05/12

Author

araghunath

default watermark

default watermark