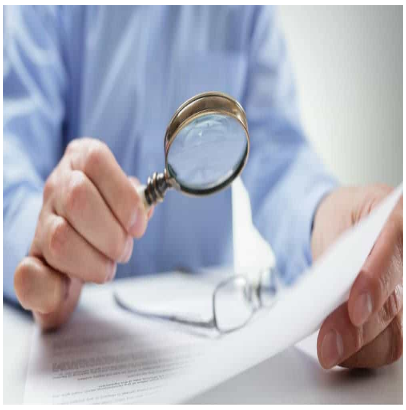

3 Canadian Stocks That Just Released Earnings: Should You Buy Today?

Description

A slew of Canadian companies released earnings in May and in the first half of June. The broader marketplace has encountered turbulence. That means that investors need to be extra careful when determining what to buy right now. Today, I want to look at three Canadian stocks that fall into this orbit. Should you look to buy these equities? Let's jump in.

Is this struggling retailer still worth owning?

Indigo Books & Music (TSX:IDG) is a Toronto-based company that operates as a book and lifestyle retailer in Canada and the United States. In previous decades, Indigo was the colossus that was devouring its smaller brick-and-mortar competitors. However, it has now found itself as the underdog in the battle against **Amazon** and other online retailers. Shares of this Canadian stock have dropped 7.8% in 2022 as of close on June 9. The stock is down 15% from the prior year.

The company released its fourth-quarter and full-year fiscal 2022 results on June 2. It reported total revenue of $1.06 million in FY2022 — up 17% from the previous year. This beat out the previous three years, two of which have been severely hindered due to the COVID-19 pandemic. Indigo was able to return to profitability as it posted an adjusted EBITDA of $32.5 million.

Shares of this Canadian stock are trading in favourable value territory compared to its industry peers with a price-to-earnings (P/E) ratio of 29. It still possesses a very strong balance sheet.

Why I'm stashing this Canadian stock in these uncertain times

Dollar store retailers experienced a renaissance in the wake of the Great Recession. **Dollarama** (TSX:DOL) is the largest chain of dollar store in Canada. This Canadian stock has climbed 14% so far this year. Its shares have jumped 33% compared to the same period in 2021.

Dollarama unveiled its first-quarter fiscal 2023 results on June 8, 2022. The company reported sales growth of 12% to $1.07 billion. Meanwhile, operating income rose 24% to $220 million. That represented 20% of total sales. Moreover, it posted diluted net earnings per share of $0.49 — up 32% from the previous year.

This Canadian stock is also trading in solid value territory relative to its top competitors in the retail space. Dollarama last paid out a quarterly dividend of $0.055 per share. That represents a modest 0.3% yield.

One more Canadian stock to consider after earnings

North West Company (TSX:NWC) is the third and final Canadian stock that I want to take a snapshot of today. This Winnipeg-based company is engaged in the retail of food and everyday products and services to rural and urban communities. Investors worried about a looming recession should also consider this as a defensive option. Shares of North West have increased 3.6% in 2022. The stock is down marginally in the year-over-year period.

It released its first-quarter 2022 earnings on June 8. North West saw its earnings suffer in a challenging environment in Q1 2022. However, the company still boasts an immaculate balance sheet, and it is on track for strong earnings growth going forward. This Canadian stock last had an attractive P/E ratio of 11. Investors can also count on its quarterly dividend of $0.37 per share, which represents a solid 4.1% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:IDG (Indigo Books & Music)
3. TSX:NWC (The North West Company Inc.)

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