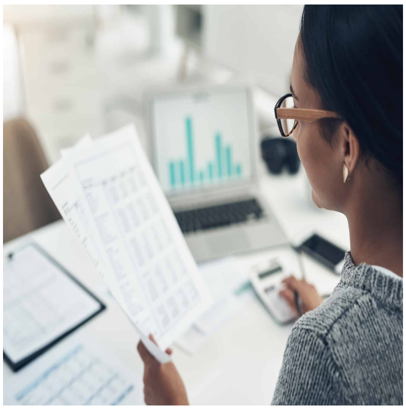

3 Stocks Down 20% in 2022 to Load Up on Now

Description

Three Canadian companies reported decent revenue growth to start 2022 amid a challenging environment. However, their stocks didn't pop to match the top-line numbers. As of June 10, 2022, **Canadian Western Bank** (TSX:CWB), **Transcontinental** (TSX:TCL.A), and **Park Lawn** (TSX:PLC) underperform and are in negative territory.

Bargain hunters should find the current share prices very good entry points. You can load up on the stocks now, as the respective businesses should eventually deliver higher earnings. Because all of them are dividend payers, there'll be recurring income streams while waiting for the rebound.

Super-regional bank

CWB reported lower-than-expected earnings in Q2 fiscal 2022, although branch-based deposits were strong, as usual. Total revenue for the quarter was $266 million, which represent a 9% growth from Q2 fiscal 2021. Meanwhile, total loans grew 9% year over year to $33.4 billion.

Chris Fowler, CWB's president and CEO, said, "Execution of our winning strategy focused on business owners continues to drive accelerated growth of full-service clients, as our teams leverage our expanding products, capabilities, and brand presence in Ontario."

The $2.6 billion super regional bank may not be an ideal anchor holding, but it boasts a dividend-growth streak of 30 years. Despite the drop in net income, CWB announced a dividend increase effective June 23, 2022. At $28.46 per share (-20.12% year to date), the dividend yield is 4.06%.

Market analysts covering CWB have a 12-month average price target of $37.04, or an upside potential of 30.14%.

Bright business outlook

Transcontinental investors are losing by 20.27% year to date ($15.81 per share) but partake of the generous 5.69% dividend. Like CWB, this industrial stock is a Dividend Aristocrat. Management has raised its dividend for 20 consecutive years. Based on analysts' forecasts, the price could climb 39.15% to $22 in one year.

The $1.37 billion company derives revenue from two core business segments: flexible packaging and printing. In the first half of fiscal 2022 (six months ended May 1, 2022), revenue increased 12.8% versus the same period in fiscal 2021, although net income dropped 26.2% year over year.

Peter Brues, Transcontinental's president and CEO, said the Packaging Sector recorded significant volume growth in Q2 fiscal 2022. The Printing Sector produced organic revenue for the fifth consecutive quarter. Management is confident that both segments will generate significant cash flows from operating activities for the full fiscal year.

Strong operating performance

Park Lawn aims to become North America's premier funeral, cremation, and cemetery provider. Currently, the $1.12 billion company operates in three Canadian provinces and 16 U.S. states. Business is doing well, but it doesn't reflect in the stock's performance. At $33.03 per share (-20.15% year to date), PLC pays a modest 1.38% dividend.

In Q1 2022, net revenue and net earnings increased 17.5% and 12.9% versus Q1 2021. According to J. Bradley Green, Park Lawn's CEO, the company is seeing less impact from the pandemic on its businesses. Moreover, the strong operating performance is continuing. Park Lawn recently acquired a standalone funeral home in North Carolina, a new high-growth market.

Market analysts recommend a buy rating and forecast a 39.9% return potential in 12 months.

Buying opportunities

CWB, Transcontinental, and Park Lawn are buying opportunities if you need more reliable income providers in your stock portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CWB (Canadian Western Bank)
2. TSX:PLC (Park Lawn Corporation)
3. TSX:TCL.A (Transcontinental Inc.)

PARTNER-FEEDS

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2. Koyfin
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