



Want Real Value for Money (+ Growth)? Buy These 2 TSX Stocks

Description

Many companies are bracing for squeezed profits in a global inflation crisis. However, **Dollarama** ([TSX:DOL](#)) and **CCL Industries** ([TSX:CCL.B](#)) might not struggle that much given their solid fundamentals. If you were to invest in the current environment, both [Canadian stocks](#) offer great value and growth.

Value retailer

Dollarama, an iconic value retailer in Canada, remains a solid investment prospect, notwithstanding the growing pessimism on slowing economic growth. The business of this \$22 billion company thrives from its broad assortment of products available to people from all walks of life. It's also one of the undervalued stocks today.

At the close of the second quarter (Q2) fiscal 2023 (three months ended July 31, 2022), Dollarama had 1,444 operating stores across the country, and its network expansion is ongoing. The said expansion is consistent with Dollarama's strategy to grow sales, operating income, net earnings, earnings per share (EPS), and cash flows. It also has a 50.1% ownership stake in Dollarcity, a value retailer in Latin America.

On March 30, 2022, the company introduced new price points up to \$5. According to management, the rollout of this latest multi-price point strategy is gradually taking place in stores throughout fiscal 2023. In the first six months of fiscal 2023, sales and operating income increased 15.4% and 27.7% versus the same period in fiscal 2022.

Net earnings during the same period were \$338.98 million, which represents a 30.48% year-over-year growth. Because Dollarama generates sufficient cash flows from operating activities (\$252.11 million in six months), the company can fund planned growth, service debts, and make dividend payments to shareholders.

It's worth noting that monitoring and improving operations are constant concerns of Dollarama. Likewise, understanding and managing risks are important parts of management's strategic planning

process. If you invest today, the consumer discretionary stock trades at \$76.52 per share (+21.15% year to date). The dividend yield is a modest 0.28%, but it should be safe and durable.

Strong end market demand

CCL Industries is a good stock to buy in this challenging environment. At \$65.11 per share (-2.85% year to date), the dividend yield is a decent 1.44%. The headquarter of the pioneer in specialty packaging is in Toronto, Ontario, but it operates production facilities (204 total) in 43 countries.

This \$11.52 billion provider of specialty label, security, and packaging solutions cater to government institutions and large global customers in the consumer packaging, healthcare & chemicals, consumer electronic device, and automotive markets. CCL converts pressure-sensitive and specialty extruded film materials for a wide range of decorative, instructional, functional, and security applications.

In the first half of this year (six months ended June 30, 2022), operating income, net earnings, and sales grew 3.9%, 4.3%, and 13.8% compared to the same period in 2021. Besides the net earnings increase of 6.8% to \$163.4 million in Q2 2022 versus Q2 2021, CCL reported a 10.9% year-over-year organic sales growth.

Geoffrey T. Martin, CCL's president and chief executive officer, said, "Looking ahead, end market demand appears to remain solid and there are early signs supply chain challenges could ease going forward." In the last decade, the stock's total return in 10.01 years is 885.85%, a remarkable compound annual growth rate of 25.68%.

Value and growth

Investors looking for a value and growth stock rolled into one can pick between Dollarama or CCL Industries.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CCL.B (CCL Industries)
2. TSX:DOL (Dollarama Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise

8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/15

Date Created

2022/10/02

Author

cliew

default watermark

default watermark