



3 TSX Stocks I'm Definitely Buying in 2023

Description

The **S&P/TSX Composite Index** plunged 221 points on Thursday, December 22. Canadian stocks have had a [difficult time](#) in the second half of 2022. The roller-coaster ride saw the TSX post big losses from April through to the middle of July. Stocks broadly recovered in August and November, only to give back those recovered gains in the weeks that followed.

Today, I want to zero in on three TSX stocks that have huge growth potential in 2023.

This TSX stock is geared up to grow with burgeoning electric vehicle demand

Sigma Lithium ([TSXV:SGML](#)) is a Vancouver-based company that is engaged in the exploration and development of lithium deposits in Brazil. Canadian investors should seek exposure to [potential lithium producers](#) as the electric vehicle (EV) market continues to post steady growth this decade. Shares of this TSX stock have shot up 251% in 2022 as of close on December 22.

This company released its results for the third quarter (Q3) of fiscal 2022 on November 17. On the business front, Sigma reported solid progress on the Greentech Plant, which is in the state of Minas Gerais, Brazil. The plant is designed to process 5.5-6.0% battery-grade, high-purity lithium concentrate. This company is expected to deliver very strong earnings in the years ahead.

Shares of this TSX stock are trading in favourable value territory compared to its industry peers. Moreover, it possesses a fantastic balance sheet. Investors on the hunt for a stock with high growth potential should consider Sigma Lithium in late December.

Here's an undervalued dividend stock that I'm looking to hold through 2023

Finning International ([TSX:FTT](#)) is a Vancouver-based company that sells, services, and rents heavy

equipment, as well as power and energy systems, in Canada, Chile, the United Kingdom, Argentina, and around the world. This TSX stock has climbed 3.2% in the year-to-date period. However, it has the potential to deliver huge gains in 2023 and beyond.

In Q3 2022, Finning posted record-breaking earnings. Total revenues climbed 25% to \$2.4 billion in the third quarter. The company posted revenue growth in all lines of business. Meanwhile, the company achieved EBIT (earnings before interest and taxes) growth of 50% compared to the previous year. Moreover, EBIT as a percentage of net revenue rose 210 basis points to 10.7%.

This TSX stock last had a favourable [price-to-earnings ratio of 10](#). I'm happy to snatch up Finning at a discount ahead of the new year. Better yet, it offers a quarterly dividend of \$0.236 per share. That represents a 2.8% yield.

One more TSX stock to snatch up in the new year

Primo Water ([TSX:PRMW](#)) is the third and final TSX stock I'd look to buy before we move into 2023. This Tampa-based company provides pure-play water solutions for residential and commercial customers. The market is positioned to grow as increased health consciousness, particularly among the elderly, has many consumers second-guessing the water they drink.

Shares of this TSX stock have dropped 6% in 2022. However, the stock has shot up 23% over the past six months. The company unveiled its Q3 fiscal 2022 earnings on November 10. It posted revenue growth of 6% to \$585 million and adjusted EBITDA jumped 10% to \$117 million. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. It seeks to give a more accurate picture of a company's profitability.

Primo is trading in attractive value territory compared to its industry peers ahead of the new year. It also offers a quarterly dividend of \$0.07 per share, representing a modest 1.8% yield.

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aocallaghan

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