



## 2023's Stock Losers That Could Still Turn the Corner (and They're on Sale Now)

### Description

The **TSX Composite Index** is doing well thus far in 2023, with the 11 primary sectors in positive territory. Technology is the top-performing sector (+17.27% year to date), followed by real estate (+10.29%). Energy stocks are underperforming, although the collective gain is +2.88%.

As of this writing, **Mullen Group** ([TSX:MTL](#)), **Aritzia** ([TSX:ATZ](#)), and **Softchoice** ([TSX:SFTC](#)) are among the early losers in 2023. The stocks are currently on sale, and their share prices are good entry points. They could still turn the corner and deliver outsized gains by year-end.

### Industrial

Mullen Group in the industrial sector can expect its stock to rise soon following the impressive top- and bottom-line results in 2022. In the 12 months that ended December 31, 2022, revenue and net income increased 35.3% and 119.1% year over year to \$1.99 billion and \$158.6 million.

Its chairman and senior executive officer Murray K. Mullen said, "It took a total team effort, some very favourable market conditions, and a strong economy to produce the 2022 results." The \$1.29 billion logistics company had to contend with supply chain disruptions, critical equipment shortages, and a very tight labour market.

Mr. Mullen said the company has shifted to managing the new market conditions. With its diversified business model, the group will capitalize on increased Specialized & Industrial Services segment activities. At \$13.97 per share, the year-to-date loss is 3.57%. The 5.15% dividend yield can compensate for the temporary price pullback.

### Consumer discretionary

Aritzia is losing nearly 10% year to date, although market analysts covering this top [retail stock](#) recommend a buy rating. Their 12-month average price forecast is \$61.57 — a 44.4% increase from its current share price of \$42.64.

This \$4.7 billion vertically integrated design house in the apparel industry boasts an innovative global platform. It also provides an immersive and highly personal shopping experience in North America, whether online or in physical boutique stores.

In the third quarter (Q3) of fiscal 2023 (three months that ended November 27, 2022), retail net revenue and net income increased 38.6% and 8.9% to \$423.2 million and \$70.7 million versus Q3 fiscal 2022. According to management, it was a record-breaking quarter for Aritzia. Management added that the strong performance has carried over to Q4 fiscal 2023.

Expect the strategic investments in infrastructure to continue, as it will allow management to execute its long-term growth plan.

## Technology

The [technology sector](#) is on the rebound, but Softchoice is still in the red with its 8.71% year-to-date loss (\$16.67 per share). Investors' consolation, for now, is the modest 2.16% dividend. The average price target of market analysts in one year is \$22.57 (+35.4%).

This \$976.79 million company provides software-focused IT solutions to companies and organizations. After three quarters in 2022, gross sales climbed 16.8% year over year to US\$1.59 billion. The net income reached US\$3.6 million compared to the US\$17.3 million net loss from a year ago.

Its president and chief executive officer Vince De Palma said the continued demand for software and cloud IT solutions drove the strong organic growth in Q3 2022. He credits the growth investments for the record revenue retention and gross profit per customer.

## Thriving businesses

It's too early to scratch out Mullen, Aritzia, and Softchoice from investors' buy lists, and their rebounds are inevitable, because the businesses are thriving.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)
2. TSX:MTL (Mullen Group Ltd.)
3. TSX:SFTC (Softchoice Corporation)

### PARTNER-FEEDS

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#### **Date**

2025/08/12

#### **Date Created**

2023/02/13

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