



## Bargain Hunters: 2 Stocks That Can Pop up to 100%

### Description

[Value investing](#) is a proven strategy to make money with reduced risk, because investors aim to pay prices that are much lower than what the underlying companies are actually worth.

Although the North American stock markets are making new highs, there are opportunities available for bargain hunters. Here are two bargain stocks that are trading near their multi-year lows.

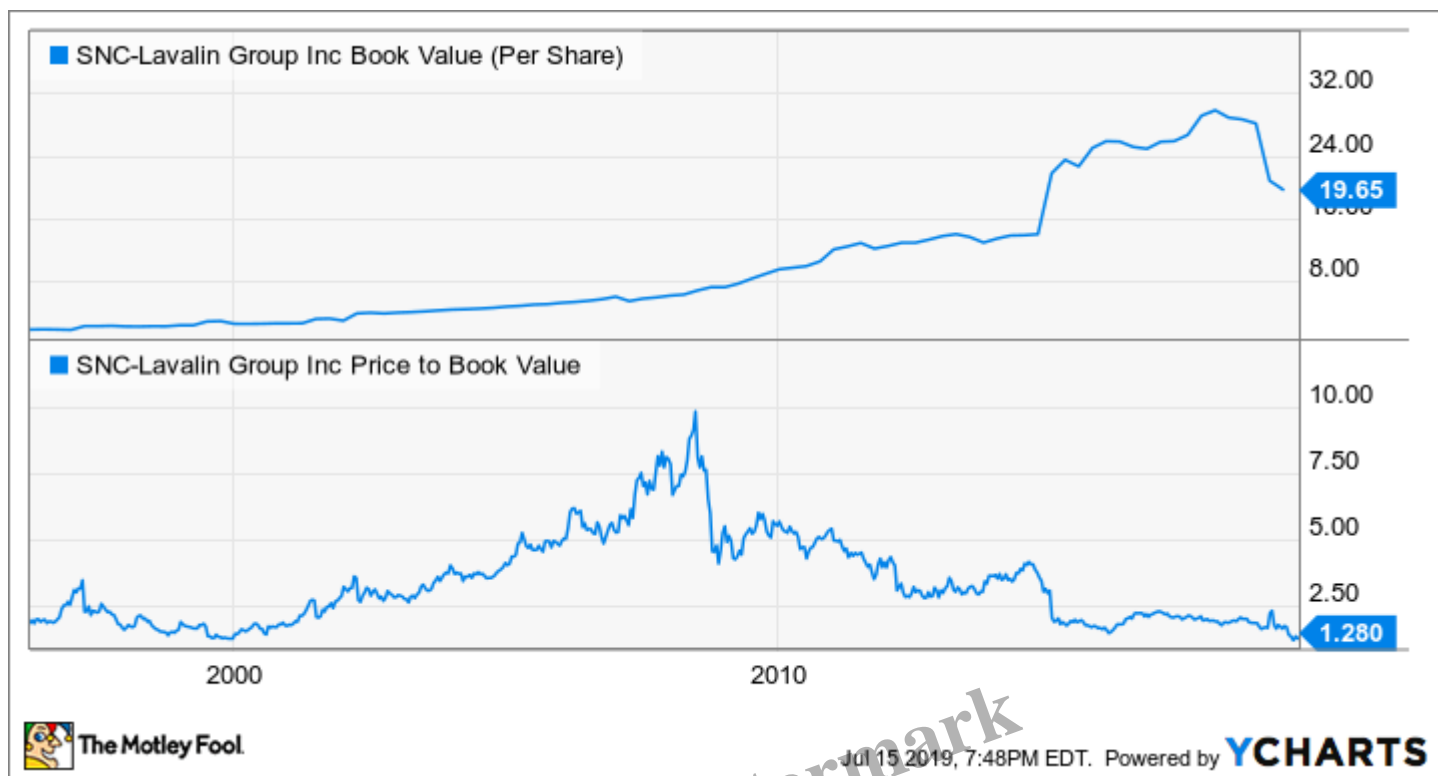
### SNC-Lavalin has about 60% upside potential

The value of **SNC-Lavalin Group** (TSX:SNC) stock has been cut by more than half in the last year. The heaviest weight on the stock is the corruption charges against the company over bribes paid to win business in Libya — an issue that keeps haunting the stock.



SNC data by YCharts.

SNC stock is trading at [the cheapest levels in its history](#) based on its price-to-book ratio (P/B). Even a modest improvement of the P/B to two can lift the stock to a target price of \$39.30 per share, which implies a discount of 36% and whopping upside potential of 56%!



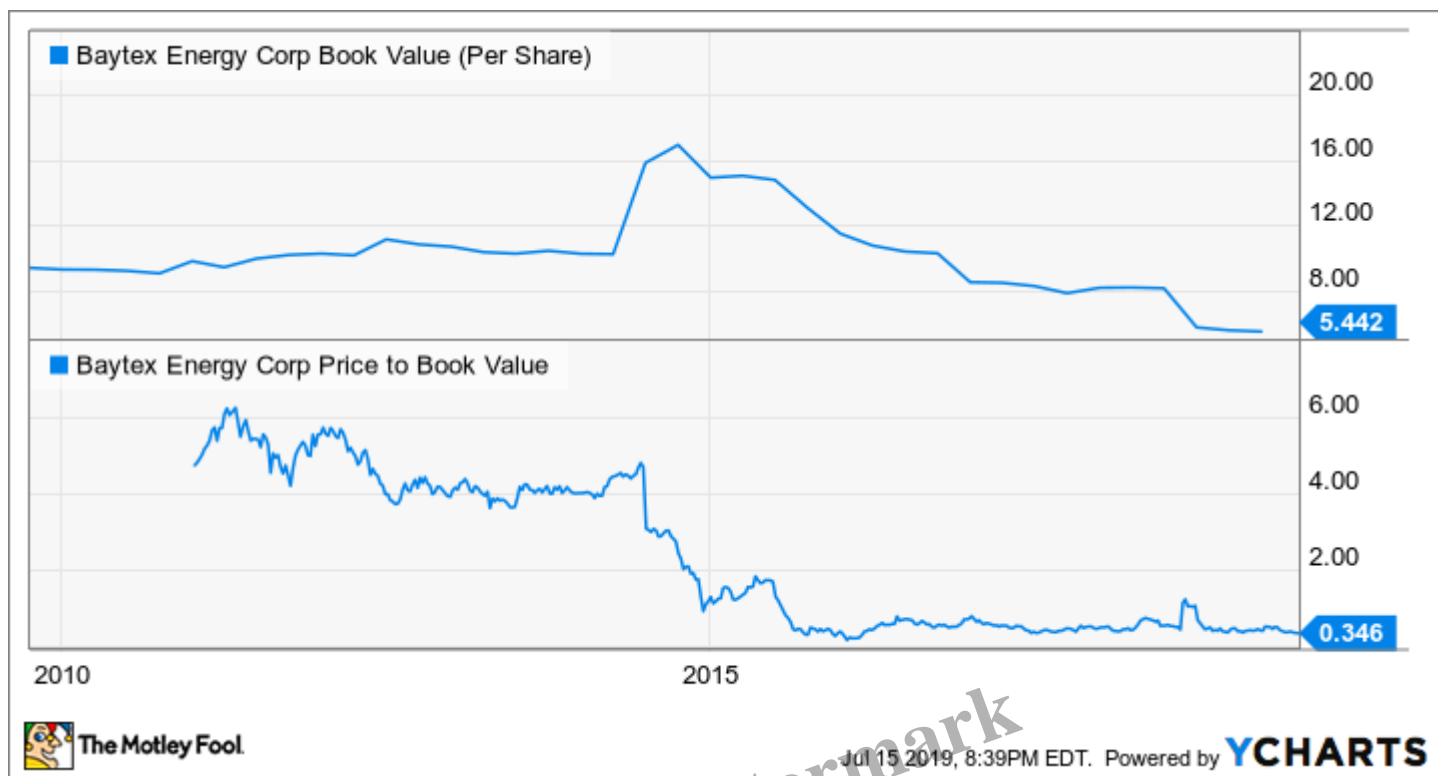
SNC Book Value (Per Share) data by YCharts.

The company has been simplifying its operating structure, which should streamline and reduce the risk of the business. Consequently, the process can help draw out the value in the stock and push the share price higher down the road.

The analyst consensus is close to our target. 11 analysts have an average target of \$40.36 per share on SNC stock, which implies a discount of about 38% and price appreciation prospects of 60% from \$25.14 per share as of writing.

## Baytex Energy

Oil and gas companies have been punished severely by the stock market. Specifically, **Baytex Energy** ([TSX:BTE](#))(NYSE:BTE) stock has fallen 96% in the last five years! Notably, there has been meaningful deterioration in its book value. In the period, its book value per share fell by two-thirds! So, much of the stock price decline is warranted, but it is overdone.



BTE Book Value (Per Share) data by YCharts.

Currently, BTE stock trades at just 35% of its book value! In other words, investors are paying \$0.35 for \$1 worth of value. Assuming a more normalized fair multiple of 0.80 book value, a fairer price for BTE stock would be \$4.35, which implies more than a double from \$1.88 per share as of writing!

Analysts have a short-term 12-month target of \$3.93 per share for the stock, which implies near-term upside potential of 109%.

There's a trade-off for the lucrative price appreciation prospects, though. Baytex is more leveraged compared to its oil and gas peers. It has a debt-to-equity ratio of 1.1 and a debt-to-asset ratio of 0.52%. And technically, it could take BTE about four years to pay off its debt with its operating cash flow.

## Foolish takeaway

The stocks offer mouth-watering upside prospects. However, they have above-average uncertainty and headwinds that could weigh on the stocks in the near term. Investors should research further and determine if they have the appetite for the risks in SNC and BTE.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:ATRL (SNC-Lavalin Group)
2. TSX:BTE (Baytex Energy Corp.)

#### **PARTNER-FEEDS**

1. Msn
2. Newscred
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#### **Author**

kayng

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