3 Black Friday Bargain Stocks You Won't Want to Miss!

Description

It's Black Friday today, that special day where folks will line up for hours in the middle of the night to save $100 on a TV.

I've never really understood North America's love of Black Friday. Sure, if you need a new TV, or laptop, or whatever, feel free to take advantage of the deal.

All too often, people are using a cheap price to justify buying something they don't need at a price they really can't afford. Stores then force thousands of employees to work Thanksgiving to prep for the day, robbing these people of time with their families.

Besides, if you have cash burning a hole in your pocket, there are better things to buy. Putting your money to work in ultra-cheap value stocks is taking advantage of sales in a way that you can use.

While there's no chance you're going to make any money buying some cheap consumer gadget, you could easily end up richer if you spend Black Friday loading up on bargains in the market.

Let's take a closer look at three Black Friday deals on the **Toronto Stock Exchange.**

Transcontinental

Transcontinental (TSX:TCL.A) is one of North America's largest printers and manufacturers of packaging products. Its facilities produce everything from dog food bags to forming films that make hot dogs look so darn good.

Unfortunately, to add the packaging facilities to the company's shrinking printing business, it was forced to take on a lot of debt with the acquisition. This, combined with a few bad quarters from the new assets, caused the stock to absolutely crater. Shares are down more than 50% from recent highs.

The good news is that results from the packaging business are starting to improve, and the company just announced it was selling off some non-core assets to help pay down the debt.

Analysts are bullish for next year too, predicting the company will earn $2.53 per share in 2020, putting shares at less than six times forward earnings.

Transcontinental also pays investors a generous dividend to wait. The current payout is over 6%.

Yellow Pages

Yellow Media (TSX:Y), the parent of the Yellow Pages and various online properties, has been quietly transforming itself for the last few years now.

It has sold non-performing businesses, paid off some crippling debt, and should now be able to focus on growing the company for the first time in a long while.

Despite management doing an excellent job with the turnaround, Yellow Media shares are ridiculously cheap. In fact, it might even be the cheapest tech stock in North America. Shares trade at just 2.5 times trailing earnings.

There’s a reason for the cheapness, however. The legacy Yellow Pages business continues to shrink at a pace of about 20% a year, with no end in sight.

That’s partially offset by growth in the company’s various digital properties, but it’s still an alarming trend. At least now management has the flexibility to make acquisitions to try and grow the company.

You likely won’t go wrong buying a stock at just 2.5 times earnings. Even if shares double from here, the stock would then be at just five times earnings.

Vermilion Energy

Many investors have spent hours analyzing **Vermilion Energy’s** (TSX:VET)(NYSE:VET) 14% dividend, with most coming to the conclusion the payout is iffy at best.

But very few have spent much time analyzing the underlying business, which, like many other energy stocks, is dirt cheap. Thanks to its focus on low-cost production and an emphasis on worldwide production — Vermilion has assets across Europe and in Australia, with about a third of its production coming from these areas — the company is able to generate an ample amount of free cash flow.

Projections for 2020 see Vermilion generating approximately $425 million in free cash flow. Shares have a current market cap of just a hair over $3 billion, giving the stock a price-to-free cash flow ratio of just over seven times earnings, which is pretty darn cheap.

Unfortunately, a bet on Vermilion is likely a bet on crude oil, which means that patient investors might be waiting a while for shares to rebound. But when they do, look out. The stock could easily double from here.

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2. TSX:TCL.A (Transcontinental Inc.)
3. TSX:VET (Vermilion Energy Inc.)
4. TSX:Y (Yellow Pages Limited)

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