3 Companies That Are Too Cheap to Ignore

Description

With valuations potentially having peaked at the beginning of this year, value investors everywhere are getting their spreadsheets ready to do some stock picking. In this article, I'm going to highlight three companies which may already be too cheap for value investors to ignore.

CCL Industries

The furthest thing from a glamour stock, **CCL Industries** operates in perhaps the most boring and mundane sector there is – the labelling and packaging business.

CCL is a slow and steady staple in many investment portfolios. However, it lacks a growth story or otherwise tangible catalyst to take its share price higher. For example, on the company's most recent earning report, shares fell by 17% in one day, as both earnings and revenue disappointed. This shows the extent to which growth and momentum investors are fleeing companies like CCL.

That said, CCL remains a well-diversified company compared to its peers. The company also still produces a solid cash flow. Currently, CCL is trading at its lowest multiple ever, making this a dirt cheap option for deep value investors.

Canada Goose

Canada Goose (TSX:GOOS) is a growth company that currently sits 50% below levels seen one year ago. The company has been hammered recently, in large part, due to their significant exposure to China. The coronavirus pandemic has made that exposure a liability recently.

Canada Goose is a premium brand and has commanded a premium valuation multiple since its initial public offering (IPO). This fact has meant that sell-off to current levels was probably warranted or expected by investors who were taking profits a year ago.

I view Canada Goose as a company with great long-term potential. I believe it will certainly pick up steam again, once these near-term headwinds abate. This makes Canada Goose a pretty easy choice as a value picks in this beaten up market we find ourselves in.

We don't yet know how severe this coronavirus will ultimately turn out to be, as the virus may cause further outbreaks in waves. This means we have no way of knowing what the ultimate economic impact will be. Therefore, I'd suggest a strategy of phasing into a stock like Canada Goose for now.

BlackBerry

For more enterprising investors, **BlackBerry Ltd.** is an interesting possibility. BlackBerry is a fallen Canadian tech darling and seems to be in the midst of a perpetual turnaround story.

The company's CEO, John Chen, has done an excellent job of saving the company from bankruptcy. However, the newfound software company's share price has continued to languish. Profitability has not materialized for long-term investors, as expected.

The company's share price is now trading near five-year lows, down approximately 45% over this time frame. This makes BlackBerry an intriguing option for investors who are brave enough to take the risk. I believe in John Chen's ability to complete the long-term turnaround.

Stay Foolish, my friends.

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