



## 5 Dirt-Cheap Value Stocks Trading Under \$5 Per Share

### Description

We've seen a huge uptick in investors interested in value stocks, particularly ones trading for under \$5 per share.

I've always understood the logic behind buying up cheap stocks. A mere \$1,000 investment in a company trading for \$1 per share gets you 1,000 shares. It won't even buy you a single **Shopify** share. You get even more bang for your buck if you buy value stocks trading for less than a dollar.

But at the same time, investors mustn't confuse price and value. A stock trading for under \$1 per share isn't necessarily a better value than one trading for \$10 per share. It all comes down to what shares of each are worth.

Let's take a closer look at five value stocks on the Toronto Stock Exchange, all trading for under \$5 per share.

### Plaza Retail REIT

**Plaza Retail REIT** ([TSX:PLZ.UN](https://www.scribd.com/document/444444444/TSX:PLZ.UN)) owns 271 retail properties, a portfolio that spans nearly nine million square feet of gross leasable space. A big chunk of the portfolio is located in Atlantic Canada, but it also has assets in Quebec, Ontario, Manitoba, and Alberta.

Like a lot of its peers, Plaza has suffered from COVID-19 and [its impact on the economy](#). The good news is, Plaza's business is still doing fairly well, thanks to its focus on essential retailers like grocery stores and pharmacies. Additionally, most of the company's restaurant tenants have also reopened. Rent collection in April wasn't bad; Plaza collected approximately 70% of rents owing.

The stock is also quite cheap. Shares trade at just 73% of book value while offering a dividend yield of more than 8%. That's an excellent consolation prize while waiting for shares to recover.

Another cheap REIT is **BTB REIT** which trades at just 60% of book value. It owns a diversified portfolio of property in Quebec and Ontario, as well as offering a 9% yield today.

## Alcanna

**Alcanna** (TSX:CLIQ) is an interesting growth story trading at a value stock price.

The company owns liquor stores in places like Alberta, British Columbia, and Ontario. This has traditionally been a steady — although unspectacular — business, which was nicely boosted of late by COVID-19. Same-store sales, a key metric in retail, were up more than 10% in the first quarter.

Value investors should be much more interested in the company's foray into cannabis sales. This part of the business is growing rapidly with 26 locations opened since the beginning of 2019. An additional five to 10 should be completed in 2020. The company also has support from some of the biggest names in the marijuana business, including **Aurora Cannabis**, which just bought a large stake of shares.

At just \$3.20 per share — a mere fraction of where the stock traded three to five years ago — Alcanna shares are a fantastic bargain.

Investors who are looking for another bargain in the pot sector should check out **HEXO**. It's risky — and certainly has issues — but it also has huge upside if management can figure things out.

## Husky Energy

As long as the price of energy cooperates, investors loading up on [unloved oil stocks](#) like **Husky Energy** (TSX:HSE) should make a lot of money.

Husky is a major player that doesn't get the respect it deserves. Assets include oil fields in Alberta — including the oil sands — Saskatchewan, and off shore in the Atlantic and Asia-Pacific region. Production is nearly 300,000 barrels of oil per day. Additionally, the company owns various oil refineries and some 500 gas stations.

The stock is so unloved, it trades at just a fraction of its book value, which is north of \$15 per share. Just last year it generated \$3.30 per share in funds from operations. Shares trade at \$4.95 each as I type this. That's right; this value stock trades for less than two times last year's cash flow.

Upside potential here is huge, too. The stock traded as high as \$20 per share as recently as 2018.

## The bottom line on these value stocks

If you're looking for cheap names that have a tonne of upside, Plaza Retail REIT, BTB REIT, Alcanna, HEXO, and Husky Energy all fit the bill. But just remember, these stocks are risky. They're cheap for a reason. Perhaps making each a small part of your portfolio is the more prudent move.

### CATEGORY

1. Cannabis Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

## **TICKERS GLOBAL**

1. TSX:PLZ.UN (Plaza Retail REIT)

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