



## 2 Top Value Stocks to Buy Right Now

### Description

The Canadian equity markets have recovered strongly from their March lows. However, the concerns over the second wave of COVID-19 infections and weak economic indicators are creating a headwind for the markets this month. Also, the nervousness ahead of the United States presidential election has contributed to the volatility.

Meanwhile, industry experts project that investors could favour value stocks compared to high-growth stocks given the volatile environment. Value stocks are the once, which trade below their real value. There is no reason for those stocks to trade at such levels besides the current market situation.

Meanwhile, here are the two value stocks that can deliver superior returns in the long run.

### Aphria

My first pick would be a cannabis company, **Aphria** (TSX:APHA)(NASDAQ:APHA). The cannabis sector has been under pressure this year amid a slew of structural issues, such as lower-than-expected demand, declining prices, a thriving black market, and slow rollout of retail stores in Canada.

Along with the weakness in the cannabis industry, the company's net loss of \$98.8 million during its recently completed fourth quarter has dragged the company's stock price down. However, a significant part of the net losses was due to a one-time or non-recurring charge.

Further, during the quarter, the company's top line grew 5% on a sequential basis, while the adjusted EBITDA has increased by over 49%. When most cannabis companies are struggling with rising operating losses, the company has posted a positive EBITDA for the fifth consecutive quarter.

The company has planned to expand its offerings in Canada by adding two more brands later this fiscal year. In the international market, it has signed a two-year supply agreement with an Israeli company Canndoc to export dried bulk flowers. The company is also planning to expand its German operations and has allocated \$15 million for it.

In the fourth quarter, the company's Malta subsidiary had received a EUGMP (European Union Good Manufacturing Practices) certification. The certification allows Aphria to export cannabis to any country in Europe that has legalized cannabis. So, the impressive growth prospects could drive the company's stock price.

## Restaurant Brands International

**Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)), the owner of Tim Hortons, Burger King, and Popeyes Louisiana Kitchen brand restaurants, is my second pick. The company has lost over 7% of its stock value this year. The temporary closure of its restaurants amid the pandemic and the lack of digital infrastructure had dragged its financials and stock price down.

Meanwhile, the company is expanding its digital capabilities, such as drive-thru and delivery services, to boost sales. Since February, the company has introduced delivery service in over 3,000 restaurants across the United States and Canada, raising the number of restaurants offering delivery service to over 10,000. Also, to drive mobile app adoption, the company is working on enhancing the user experiences and improving its loyalty programs.

Further, in July, Yelp had [published a report](#) stating that 60% of the restaurants that were closed in the United States during the pandemic will not reopen again. So, I believe Restaurant Brands International is well positioned to capture market share from these closed restaurants.

At the end of the second quarter, the company's cash and cash equivalents stood at US\$1.54 billion. So, the company has ample liquidity not only to ride out this crisis but also to invest in expanding its digital capabilities to meet the changing needs of the customers. Also, the company's dividend yield currently stands at a healthy 2.7%. So, I believe [Restaurant Brands International is an excellent buy](#) in this volatile market.

### CATEGORY

1. Cannabis Stocks
2. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Cannabis Stocks
2. Investing

### Tags

1. Editor's Choice

### Date

2025/07/21

### Date Created

2020/10/01

### Author

manjapla

default watermark

default watermark