Got $6,000 to Invest? 3 Unbelievably Cheap Value Stocks to Own for the Next 5 Years

Description

If you've got $6,000 in TFSA (Tax-Free Savings Account) cash to invest for the long term, you've come to the right place. Investors are rattled over rising U.S. bond yields, which has spelled bad news for tech stocks, especially the high-flying ones that are not yet profitable. In this piece, we'll look at three value names that appear too cheap for their own good.

Without further ado, consider **IA Financial** (TSX:IAG), **Bausch Health Companies** (TSX:BHC), and **Spin Master** (TSX:TOY).

IA Financial: A well-run insurer at a bargain-basement price

IA Financial is a cheap Canadian insurance and non-bank wealth manager that ought to be scooped up here. The stock surged 72% off its March 2020 depths but remains the name still remains too cheap to ignore, given the calibre of business you're getting. The stock sports a bountiful 3% yield, which, while lower than its Canadian insurance peers, is well covered, with more room to run over the next five years and beyond.

At the time of writing, the stock trades at 0.4 times sales, 3.8 times cash flow, and 1.1 times book value, all of which are still lower than the stock's five-year historical average multiples of 0.5, 11.6, and 1.2, respectively.

Bausch Health Companies: Activist investor Carl Icahn's involvement could propel shares in a post-COVID environment

Bausch Health Companies is a Canadian biopharmaceutical company with a brilliant management team. Led by CEO Joe Papa, the company has moved on from its days as the infamous Valeant Pharmaceuticals and its debt-fueled acquisition spree.

Papa has done a terrific job of trimming away at the mountain of debt while injecting cash into innovative health solutions. And with activist investor Carl Icahn jumping on board to help enhance shareholder value, I think investors should think strongly about loading up on shares on any meaningful dips.

The stock is still modestly-valued at 1.44 times sales and 7.2 times next year's expected earnings.

Spin Master: Canadian toymaker comes roaring back

Spin Master made headlines last week, with the company reporting much better-than-expected earnings that sent shares soaring over 44%.

The company made major strides in the fourth quarter, solving serious supply chain issues that weighted down its prior quarters. The company saw its pretty flat net sales, with revenues inching up just under 4%. Adjusted EPS numbers were at $0.14, doubling that of consensus estimates calling for $0.07. The biggest takeaway from the quarter, I thought, was the profound strength in the digital game revenues, which skyrocketed over 400% to US$31.8 million.

Optimistic management expectations also provided rally fuel for the stock, and it may very well just be a preview of what's the come as "the roaring 2020s" look to take hold over the next five years. In any case, the stock remains way too cheap here after its blowout quarter. The stock trades at a mere two times sales at the time of writing.

Sell-side analysts hiked their price targets after the fact. Most recently, RBC Capital Markets hiked its rating on Spin Master from sector perform to outperform, with a massive $10 upgrade to $44, representing another 25% worth of upside from today's levels.

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TICKERS GLOBAL

1. NYSE:BHC (Bausch Health Companies Inc.)
2. TSX:BHC (Bausch Health Companies Inc.)
3. TSX:IAG (iA Financial Corporation Inc.)
4. TSX:TOY (Spin Master)

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