



## 3 Undervalued Canadian Stocks to Buy Under \$20 Today

### Description

After a tremendous run-up, there aren't many undervalued Canadian stocks left. Most high-quality stocks are trading at near all-time highs. Meanwhile, the ones trading below their pre-pandemic levels still have plenty of risks and hurdles ahead. That makes your mission of stock picking much more difficult.

Nevertheless, here are three undervalued Canadian stocks trading for less than \$20 each.

### Undervalued Canadian stock 1

Cybersecurity firm **Absolute Software** (TSX:ABT)([NASDAQ:ABST](#)) has the perfect mix of fundamentals and growth potential. The growth is driven by the sudden shift in the way companies operate. With everyone working remotely, securing employee devices is absolutely critical. That's where Absolute comes in.

The company provides an endpoint security platform that helps companies manage the various smartphones, laptops and desktops that connect to their core system. Demand for these services has been so strong over the past year that the company's annualized recurring revenue surged to \$117.5 million in 2020.

This year, ARR could be a lot higher. Meanwhile, the company's market value is \$860 million. That means the stock is effectively trading at a price-to-ARR ratio of 7.3, which is below the ratio for other comparable cybersecurity tech stocks. In short, this undervalued Canadian stock should be on your radar.

### Undervalued Canadian stock 2

Another undervalued tech stock is **Goodfood** ([TSX:FOOD](#)). The stock has been caught up in the ongoing tech sell-off. 42% of its market cap has been shaved off in the past month alone. It's now trading at \$8.50, making it one of the cheapest stocks on this list.

Nevertheless, its long-term growth story remains intact. Online grocery and meal kit delivery was spurred on by the lockdowns. But plenty of these adopters are likely to stick with in a post-pandemic world. After all, the convenience of having ingredients and groceries delivered to your doorstep is hard to beat.

Meanwhile, the company's footprint continues to expand across the nation. This month it also launched a same-day delivery service that lets it go head-to-head with market leaders in this space. For growth investors seeking a contrarian bet, Goodfood is an ideal target.

## Undervalued Canadian stock 3

My favourite pick on this list isn't a tech company, but is part of my personal tax-free savings account: **Fairfax India Holdings** ([TSX:FIH.U](#)). Managed by [Canada's Warren Buffett, Prem Watsa](#), this investment vehicle is focused on public and private investments in India.

Their two biggest assets are the National Stock Exchange and Bangalore International Airport. Both of them are due to be publicly listed in India soon, which could unlock tremendous value. Meanwhile, Fairfax India's Canadian stock is already undervalued. The stock trades at US\$12.6, while the reported book value per share is well above \$16.

Book value will eventually surge higher as India's economy recovers from the pandemic and those private assets get listed in Mumbai. Keep a close eye on this undervalued Canadian stock.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:ABST (Absolute Software)
2. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
3. TSX:FOOD (Goodfood Market)

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