



3 Undervalued Stocks to Buy on the TSX Today!

Description

Buying the dip on beaten-down stocks may sound like a risky proposition. However, it may also provide investors an opportunity to buy stocks at an attractive valuation. We'll look at three such [undervalued stocks](#) you can buy on the TSX today.

Real Matters

Real Matters ([TSX:REAL](#)) stock is trading 20% below its 52-week high. This company provides residential and real estate appraisal as well as title and closing services to mortgage companies in the U.S. and Canada. Its tech-based platform creates a marketplace where field professionals compete for volumes provided by its clients.

It is one of the largest independent providers in North America for residential real estate appraisal services. Real Matters is also an approved title agent with the largest title insurance underwriters in North America.

In the second quarter of fiscal 2021, Real Matters reported consolidated net revenue growth of 29.8% year over year while its EBITDA growth was more than 30%.

Real Matters stock is valued at a market cap of \$1.36 billion. This means its trading at a forward price-to-sales multiple of seven and a price-to-earnings multiple of 26.7. which is reasonable given its growth rates. Bay Street analysts tracking the stock have a 12-month average target price of \$20.1, which is 20% higher than the current trading price.

Barrick Gold

One of the largest gold mining companies in the world is **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). Its stock is trading 32% below its 52-week high, despite its impressive performance in the last year. The falling prices of the yellow metal have contributed to this decline. But Barrick Gold remains a top bet for value investors.

Despite the ongoing pandemic, Barrick met its production target, delivered on its business plans, and capitalized on higher gold and copper prices in 2020. It increased free cash flow to US\$3.4 billion and sold US\$1.5 billion of non-core assets, allowing the company to have zero net debt by the end of the year. Comparatively, Barrick Gold had close to US\$13 billion in debt [back in 2013](#).

Barrick Gold stock is valued at a market cap of US\$40 billion. This means it's trading at a forward price-to-sales multiple of 3.12 and a price-to-earnings multiple of just 18. Comparatively, analysts expect its earnings to rise at an annual rate of 23.7% in the next five years.

Wall Street has a 12-month average trading price of \$30 for Barrick Gold stock, which is 36% higher than the current trading price.

AutoCanada

The final company on the list is **AutoCanada** ([TSX:ACQ](#)), a stock that has gained a staggering 700% in the last year. Despite its massive rise, AutoCanada stock is trading at a forward price-to-sales multiple of just 0.30 and a price-to-sales multiple of 16.5.

Comparatively, analysts expect the company to increase sales by 22.3% to \$4.07 billion in 2021 and by 5.3% to \$4.3 billion in 2022. Its earnings are also estimated to rise at an annual rate of 25% in the next five years.

AutoCanada operates franchised automobile dealerships in Canada and the United States. It offers a wide range of automotive products and services that include new and used vehicles, vehicle leasing, vehicle maintenance, service contracts, and after-market products.

In Q4 of 2020, AutoCanada's sales were up over 8%, while earnings more than tripled year over year. Comparatively, its sales growth accelerated to 36% in the March quarter of 2021, according to [preliminary results](#).

CATEGORY

1. Investing
2. Metals and Mining Stocks
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)
3. TSX:ACQ (AutoCanada Inc.)
4. TSX:REAL (Real Matters Inc.)

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