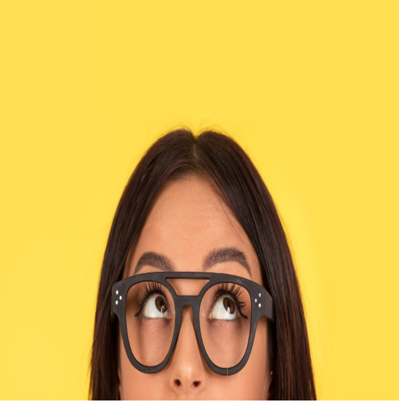

Buy Alert: 2 Recovery Stocks That Still Offer Value!

Description

By now, pretty much every stock on the market has recovered from the pandemic. There certainly aren't too many cheap recovery stocks to buy today.

Of course, there are the popular stocks that have suffered greatly, like **Air Canada**. Besides that, though, almost every industry has figured out how to cope with the pandemic and is well on its way to growing and operating in a post-pandemic environment.

For the most part, now it's just retail and restaurant stocks that are still suffering badly. However, things have begun to look up recently, making these stocks some of the best to buy today.

While is still a risk of more shutdowns, that risk is being minimized each day. And now, the longer you wait to buy these stocks, the more growth potential that you could miss out on. So you have to choose when the risk to reward makes sense to you.

Of the recovery stocks to consider on the market, these are the two offering the most value worth a buy today.

A top restaurant stock for dividend investors

One of the most undervalued stocks on the market today has to be **Boston Pizza Royalties** (TSX:BPF.UN). The restaurant stock has understandably been impacted severely by the pandemic.

However, as we finally look like we're emerging from the pandemic, Boston Pizza looks like it could be the best value buy of any recovery stock.

It's not necessarily about its capital gains potential. But the company has a tonne of potential to recover and increase its dividend. So if you're a dividend investor, I'd strongly consider this stock.

Because the fund receives a royalty on the sales each restaurant does, its income will see a natural recovery as these restaurants are allowed to open back up to full capacity.

Currently, if you buy the recovery stock today, your investment would yield roughly 5.25%, with the fund paying out $0.065 per unit each month. $0.065 per unit each month is only about 55% of what it paid before the pandemic, $0.115.

This is understandable given that restaurants have been impacted so badly. However, it also shows the potential investors have has as Boston Pizza's business recovers.

So an investment now, while yielding 5.25% today, could yield over 9.2% if the stock's dividend returned to its pre-pandemic level. Even at just 75% of its pre-pandemic dividend, the stock would yield nearly 7% today.

So if you're a dividend investor looking for a cheap recovery stock to buy, Boston Pizza looks like a great choice.

A top recovery stock to buy now

Apart from restaurants, another industry that's been heavily impacted is retail. And while most retail stocks have recovered well, one top recovery stock to buy today is **Roots** (TSX:ROOT).

One of the reasons Roots still offers value when most other retail stocks don't is because it's been out of favour for a while. The company was struggling to turn its business around and improve efficiencies before the pandemic hit.

Now, however, as we emerge from the pandemic, Roots not only looks poised to benefit from reopening the economy fully, but it also looks like it's sorted out its issues.

For Roots, it was never about revenue. It was its costs and its margins that had to be sorted out. So going forward, as long as it can continue to find efficiencies and grow its profitability, it will be a top stock for the long term.

Roots has one of the most popular brands among consumers in Canada, so to buy this high-quality recovery stock at a market cap of just $150 million today is a steal. Only a few years ago, it was worth more than three times that.

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TICKERS GLOBAL

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2. TSX:ROOT (Roots Corporation)

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