



3 Dirt-Cheap Value Stocks to Buy in Summer 2021

Description

Given how overvalued the relative market is right now, finding [undervalued stocks](#) is more important than ever. Indeed, constructing one's portfolio with a solid base of value stocks isn't as easy as it once was. Average valuation multiples are nearing peaks we haven't seen since the popping of previous bubbles.

However, there's always value to be had in any market. Here are three of my top picks that I think fit this profile well today.

Value stocks: Manulife Financial

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is my [first pick](#) in this article. This insurance play provides a best-in-class business model with incredible long-term growth potential.

The company's interest rate-sensitive business model hasn't been a source of strength this past year. However, as interest rates continue to fluctuate, Manulife could provide investors with a nice hedge in this regard.

Additionally, Manulife's leverage to China is a big reason why many investors own this stock. China is among the fastest-growing markets in the world, and Manulife is making moves to expand its exposure to this region.

The company's valuation at only nine times earnings offers exceptional value to long-term investors. Indeed, there are few investment opportunities on the market today with this kind of valuation, relative to its growth and income profile.

Kirkland Lake Gold

Kirkland Lake Gold ([TSX:KL](#))([NYSE:KL](#)) is certainly one of the best miners in Canada. This company's operational performance is second to none in the sector. And Kirkland Lake has shown its

ability to generate mounds of cash for investors. Of late, the company has so much cash that it's been raising its dividend at a ridiculous pace. For gold miners, this is relatively uncommon. But for investors, this provides an intriguing opportunity to pick up a quality company at a very reasonable price.

Kirkland Lake currently trades at around 15 times earnings. For a company of this quality, that's cheap. For those who believe gold prices could continue to rise over the medium to long term, that's dirt cheap.

I think this is a company that could present a potential double-up opportunity in the coming year or two. Should conditions remain favourable to Kirkland Lake, investors could be in for a very nice ride with this value stock.

Alimentation Couche-Tard

One of the companies I think is tremendously undervalued right now is **Alimentation Couche-Tard** (TSX:ATD.B). Some investors may wonder how a company with a market capitalization around \$50 billion could be undervalued. However, relative to the company's growth potential, Couche-Tard's valuation multiple around 15 times earnings certainly seems enticing here.

Indeed, Couche-Tard's long-term growth trajectory is downright impressive. Via mainly acquisitions, Couche-Tard has been able to grow its revenue and earnings at a torrid pace. Additionally, the company has maintained this growth rate over many years, suggesting this company is far from other short-term growth plays that fizzle out over time.

Indeed, as more folks get back to driving and commuting, I expect Couche-Tard's top- and bottom-line performance to boom. Accordingly, this value pick is also one of my top pandemic reopening plays right now.

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1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:MFC (Manulife Financial Corporation)

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