2 Beaten-Down TSX Stocks That Are Screaming Buys

Description

The Canadian stock market went through massive ups and downs, as the pandemic ensued last year, creating many opportunities for value investors seeking high-quality assets at discounted prices. Most of the stocks trading on the TSX recovered quickly to pre-pandemic levels in the months following the February and March 2020 selloff frenzy.

There are rising concerns that the market is overvalued after strong rallies in 2021, making it more challenging for investors to find value stocks. Provided that you know where to look, it is still possible to find undervalued stocks that can provide you with significant long-term returns.

Today, I will discuss **Alimentation Couche-Tard** (TSX:ATD.B) stock and **goeasy** (TSX:GSY) stock, because these two could be excellent stocks to consider for this purpose.

Alimentation Couche-Tard

Alimentation Couche-Tard is a global gasoline station and convenience store chain operating in Canada. The company suffered significant revenue losses during the pandemic, as the volume of drivers decreased. However, the company boasts a strong balance sheet and enough liquidity to make acquisition deals that can increase its revenues as the economies reopen.

The company's management has been careful so far with its liquidity and practiced patience in terms of using its liquidity for acquisition deals. Presently, the company's management is choosing to keep its mergers and acquisitions on hold to focus on growing organically, because there aren't a lot of cheap deals for the company to consider.

Trading for $48.58 per share at writing, Alimentation Couche-Tard is a stock with significant upside potential and could boom once it has enough wind in its sails.

goeasy

goeasy is a popular company that provides non-prime loans through its easyfinancial arm and leasing of big-ticket items through easyhome. As an investor, buying shares of a company that generates revenues by offering subprime loans might not seem like an exciting prospect. However, the company's fundamentals have been proving otherwise for a long time.

Both of its major businesses have been performing well in recent years, especially its easyhome business. Buying a house in today's market is difficult due to soaring prices and then furnishing homes is more challenging for Canadians who do not have a strong financial position. goeasy's services make it much easier for Canadians to acquire those big-ticket items.

Considering that the risk of loan defaults for consumer loans is not as severe as mortgage loans, goeasy could continue its stellar performance and grow in the coming years. Trading for $160.97 per share, it could be a stock worth adding to your portfolio if you don't already have a position in the company.

Foolish takeaway

It is challenging to find dirt-cheap stocks when the TSX is riding high on considerable momentum. However, it is not entirely impossible. Value investors have made fortunes by finding high-quality assets trading at low prices that possess massive upside potential.

There are plenty of successful growth stories on the stock market right now, but paying exorbitant amounts to invest in companies that have already grown could be a waste of your capital. Instead of buying shares of companies that have already soaring share prices, it would be better to find undervalued stocks that have growth potential right now.

Alimentation Couche-Tard and goeasy stock could be excellent assets to consider if you are looking for beaten-down stocks that could provide you with significant long-term returns.

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