
Value Investors: 3 Stocks Are a Screaming Buy Right Now

### Description

You don't need to wait for market crashes to get access to good valuations deals. At any given time, there are several undervalued stocks trading on the **TSX** that are ripe for the picking. But not all undervalued stocks are worth buying. A great price might be worth nothing if it doesn't offer decent returns in due time or has a sizeable yield. The future prospects of value stocks are an important variable to consider.



## A sawmill company

**Interior** (TSX:IFP) is counted among the largest lumber producers not only in Canada but around the globe. The company saw a rapid rise after the market crash, partly because of the overall recovery momentum of the market, partly because of the shortage of lumbar and high demand. Between its crash valuation and 2021 peak, the stock grew over 540%.

If you had bought into the company when it was trading at the rock bottom price, you would have grown your capital by five times in about a year's time. Currently, the stock is trading at a 30% discount to its yearly peak. But that discount is nothing compared to its valuation. Its price-to-earnings is at 1.8 and price-to-book at 1, making it a screaming buy from a valuation perspective.

## An investment management company

If you are looking for an undervalued dividend stock, **AGF Management** (TSX:AGF.B) might be worth considering. The company is currently trading at a price-to-earnings of 3.3 and a price-to-book of just 0.5, and it's also offering a juicy 4.8% yield at a payout ratio of 14.7%, making its payouts quite stable. The company has raised its payouts from the last quarter.

AGF is financially quite stable. Its second-quarter revenues are over 21% higher than its second-quarter 2020 revenues. The balance sheet of the company is stable, and the debt is at relatively manageable levels. The stock saw decent growth in the last 12 months, but it's been sliding since the end of June. If you want to bag this undervalued dividend stock, consider waiting till it reaches the depth of its slump.

## A real estate company

**Mainstreet Equity** (TSX:MEQ) offers an unusual combination of powerful growth and low valuation. The stock is quite attractively undervalued right now and is currently trading at a price-to-earnings of 4.6 and a price-to-book of just 1. Its powerful growth is not just an after-crash fluke, though it is a catalyst and mostly responsible for a 10-year compound annual growth rate (CAGR) of 20.6%.

Mainstreet Equity is a Calgary-based real estate company that specializes in finding older, mid-market rental properties and repositioning them. The company then takes on management of these properties and offers them to consumers as affordable rental properties. Given how rapidly the rent is rising across the country, the powerful hike in the stock's value is understandable.

## Foolish takeaway

Undervalued stocks that are still growing at an aggressive pace or have just begun to cool off after a powerful run are a bit confusing. Undervalued stocks that are trading at rock-bottom prices are easier to understand, and their growth prospects seem a bit more predictable.



**CATEGORY**

1. Dividend Stocks
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