Forget Air Canada: 2 Value Stocks That Are Far Cheaper

Description

If you're a Canadian value investor, you've likely considered an investment in **Air Canada** (TSX:AC) stock over the last year. The stock, which was impacted more than almost any other business in Canada, continues to trade more than 50% below its pre-pandemic price.

Not every stock has recovered, but for most businesses, by now, they are on the road to recovery.

Unfortunately for Air Canada, though, there is little it can do besides bide its time. The problem for investors is that the company continues to lose money.

So, if you invest in Air Canada stock today, the longer its operations remain significantly impacted, the more your investment will just bleed value.

That's why, in my view, it won't be worth an investment until there is some certainty regarding its recovery. So, instead, here are two of the best value stocks in Canada that are far cheaper.

A top Canadian real estate stock trading well under value

If you're looking for a high-quality Canadian stock that offers some significant upside over the next couple of years and beyond, **First Capital REIT** (TSX:FCR.UN) is a great choice.

The Canadian real estate trust owns a portfolio of mixed-use properties in 150 neighbourhoods across the country. While the pandemic didn't severely impact it, it did see some negative effects on its operations.

Nevertheless, unlike Air Canada stock, First Capital has already recovered well, which has allowed it to focus on looking forward with an aim to improve the profitability of the business.

Most recently, it announced $400 million in dispositions of both income-producing and some of its development properties. This is an important transaction, because it strengthens First Capital'sbalance sheet while allowing the company to earn a significant premium on the assets' book value.

Not to mention, it shows the impressive value that First Capital can create and, additionally, allows it to continue to focus on its super urban strategy.

It's an impressive real estate business that's perfect for long-term investors. Furthermore, it continues to trade well below its pre-pandemic price, offering a tonne of potential and a lot more value than Air Canada stock.

So, if you're looking for a long-term growth stock you can buy at a discount today, First Capital is a great investment to consider.

Forget Air Canada: Corus Entertainment is much cheaper

In addition to First Capital, a stock that's a no-brainer buy compared to Air Canada is **Corus Entertainment** (TSX:CJR.B).

In my view, Corus is even cheaper than First Capital. However, while it still offers growth in the long run, First Capital edges Corus out there.

Corus is a media stock that's been performing far better than the stock price would lead you to believe.

It's extremely cheap and has been for some time, making it one of the best value stocks to buy. Furthermore, unlike Air Canada stock, it's earning tonnes of free cash flow and is highly profitable right now.

To get an idea of how cheap the stock is, Corus trades at a forward price-to-earnings ratio of just 6.8 times. It's also trading at a price-to-free cash flow ratio of roughly 4.1 times. Its enterprise value/EBITDA ratio is just over 5.3 times. These are all some of the lowest ratios in Canada.

In addition to the value Corus offers, it pays a dividend which yields roughly 4%. So, if you're looking for a stock that's ultra-cheap today, rather than Air Canada, I'd strongly recommend Corus Entertainment.

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2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:FCR.UN (First Capital Real Estate Investment Trust)

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