



2 Undervalued TSX Stocks to Jump on Before They Skyrocket

Description

Investors have several [undervalued stocks](#) to choose from in September 2021. **Real Matters** ([TSX:REAL](#)) and **Xebec Adsorption** ([TSX:XBC](#)) trades at deep discounts, but their return potentials could be anywhere from 30% to 60% based on market analysts' forecasts. Both tech stocks appear grossly undervalued, considering the nature of the businesses and visible [growth runways](#).

Multi-pronged growth strategy

Real Matters has returned 110.5% (28.04% compound annual growth rate) in the last three years. However, the stock continues to underperform in 2021. While investors are down 38.42% year-to-date, market analysts are bullish. They predict the current share price of \$11.83 to climb to \$18.91 (12-month average target).

The \$943.4 million company from Markham has a multi-pronged growth strategy to disrupt the title and closing market, particularly in the United States. Real Matters leverages its network management services platform to grow its residential mortgage appraisal market share.

Real Matters envisions becoming a leading network management services company in a large addressable market. Currently, the client base includes 60 of the top 100 mortgage lenders in America. Management believes the company has the best-in-class technology-based platform to achieve its ultimate goal.

The business remains steady, although net income fell 16% in Q3 fiscal 2021 (quarter June 30, 2021) versus Q3 fiscal 2020. Still, the US\$129.4 million consolidated revenue during the quarter was record-breaking. Real Matters' U.S. appraisal revenue grew 17.5%, while the revenue in Canada (appraisal and title) rose 149.1%.

There could be a mad rush for appraisals and title closings in the U.S. or Canada to end the [low-interest-rate environment](#). Real Matters boasts a competitive position and scalable software development discipline. It should recover from the present slump and generate robust revenues again.

Technologically positioned

Xebec Adsorption offers something different. The \$511.28 million renewable gas company promotes a no-carbon future. It provides clean energy solutions for the distributed generation of renewable and low-carbon gases in energy, mobility, and industry applications.

While the business model (cleantech and industrial equipment sales plus services) is simple, it has significant revenue growth potential. Likewise, the mission is noble. Xebec aims to help the world transition to a low-carbon future by accelerating the production of renewable gases.

Xebec deploys proprietary technologies to clients in North America, Europe, Asia, and the Middle East. Since the focus is on environmentally responsible gas generation, governments and organizations can reduce carbon footprints while saving operating costs.

Although it reported a net loss of \$16.8 million in the first half of 2021, total revenue increased 68% to \$53.3 million versus the same period in 2020. Management's strategy is to grow revenue and earnings profitably and build a sustainable business to drive shareholder value.

Notably, as of June 30, 2021, Xebec's working capital stands at \$97.4 million, or a 12% increase from June 30, 2020. The company also obtained credit facilities worth \$59.25 million from the Technology & Banking Group of the **National Bank of Canada**.

Market analysts forecast a return potential of 31% in the next 12 months. The current share price of \$3.33 is a good entry point as it could climb to \$4.35. Xebec is technologically well-positioned and should benefit significantly from the global push to decarbonize.

Share prices could skyrocket!

Real Matters and Xebec Adsorption are among **TSX's** undervalued stocks today. Their share prices could skyrocket as the businesses grow due to increased demand for their products and services.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:REAL (Real Matters Inc.)
2. TSX:XBC (Xebec Adsorption Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. cliew

Category

1. Investing
2. Tech Stocks

Date

2025/09/18

Date Created

2021/09/01

Author

cliew

default watermark

default watermark