2 Stocks on the TSX Today Near 52-Week Lows

Description

Motley Fool investors want a deal — that much is clear. But how much risk are willing to take on to get it? These days, it seems like a lot. Investors seem to look to the **TSX** today and try and find the next big thing. Whether that's an exploding company on Reddit, or a stellar earnings report, everyone is trying to get in and make a buck.

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But if you're willing to take on a bit of risk and hold stocks long term, there are cheap stocks out there that can build wealth for decades. Some of these stocks are trading at 52-week lows. So, while it might be tough to buy now, you'll be glad you did down the line. Here are two stocks trading at 52-week lows that Motley Fool investors should research on the TSX today.

Just Energy

The COVID-19 pandemic hit, and **Just Energy Group** (TSX:JE)(NYSE:JE) simply hasn't recovered. Investors would think the company would be a strong option, as it provides electricity and natural gas in North America. But here's the issue: the company provides these services to mass markets and commercial areas, along with housing. With everyone at home, this has provided a hard time for Just Energy.

But a few headlines of good news have come the company's way, despite trading at 52-week lows on the TSX today. The company will receive recovery of certain costs in Texas from extreme weather during February. Just Energy management also announced there would be restructuring to benefit shareholders. The company incurred loss but managed to keep a hold on its mass markets sector, marking a flattening of its decreasing curve. Debt expenses dropped to $7.3 million from $13.2 million as well for the quarter.

As for the latest quarter, the company actually managed to turn a profit of $275.3 million! That's compared to a profit of $82.1 million during the same time last year. And the company increased liquidity by 229% year over year to help with the costs. So, Just Energy is in a strong financial position, despite all these losses.

Shares are down 80% year to date, so, yes, it's a risky choice to make right now. But given its investment in the energy sector, including renewable energy, investors may see a turnaround in the next year or so, with analysts predicting it to potentially double in a year's time.

Charlotte's Web

Cannabis is another area where we've seen shares drop lower and lower on the TSX today. One that Motley Fool investors may have been watching is **Charlotte's Web Holdings** (TSX:CWEB). The reason is, this cannabis company could be a major winner should federal legalization occur in the United States. And it remains cheap, trading at 52-week lows and down 29% year to date.

In the last few months, Charlotte's Web has been trying to turnaround, taking on former executives of some of the largest cannabis companies. During its latest earnings report, the company saw revenue increase 11.4% year over year, with gross profit up to $15.8 million. And while adjusted EBITDA is down to a loss of $3.9 million, it's an improvement from a loss of $5.7 million the year before.

Analysts recently cut revenue estimates to around US$104 million for fiscal 2021. That would be an improvement of 4.7% from the year before. The consensus price target was also cut but is still an improvement from where it stands today at $3 per share. Analysts now give it a potential upside of 95%! So, while it might be a long climb on the TSX today, investors will still likely be rewarded by picking up this stock while it remains on the low end of the 52-week spectrum.

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