



## 2 Undervalued TSX Stocks to Buy With \$100

### Description

The TSX should pick up steam soon after a shaky start in December 2021. Canada's primary stock market closed above 21,000 again on December 7 and 8. Likewise, the index's year-to-date gain bumped up to nearly 21%. The energy sector got stronger with a gain of over 81%.

If you're looking for [great buys right now](#), consider **Transcontinental** ([TSX:TCL.A](#)) and **Canfor** ([TSX:CFP](#)). Both stocks appear to be [trading below their intrinsic values](#) vis-à-vis the respectable Q3 2021 results amid the challenging environment. Also, a \$100 investment could compound considerably from their current prices when the stocks break out.

### Visible organic growth

François Olivier, president and CEO of Transcontinental, said, "I'm satisfied with the operating profitability of our three sectors in the third quarter." The \$1.63 billion company engages in flexible packaging, printing, and publishing. Its packaging segment is the main engine, but the company receives ample support from the printing and publishing segments for long-term growth.

After the first three quarters of fiscal 2021 (quarter ended July 31, 2021), revenue and net operating income declined 2.6% and 4.6%, respectively, versus the same period in fiscal 2020. Remember, Transcontinental is the leading flexible packaging company in North America. Organic volume growth should be more robust in Q4 fiscal 2021 and beyond with new contracts and products.

Investors must also note that the industrial stock is a [Dividend Aristocrat](#), and it has a dividend-growth streak of 19 consecutive calendar years. The share price is \$19.31, while the dividend yield is 4.66% if you invest today.

Mr. Olivier reiterated, "Our performance since the beginning of the fiscal year, combined with the solid foundations of our customer relationships and the development of sustainable products, as well as our solid financial position, allow us to pursue our growth strategy in each of our three sectors and look to the future with confidence."

The family-controlled corporation has, for years, consistently adapted to industry trends while reinventing itself. Management's commitment to stakeholders is long-term value creation. Transcontinental generates significant cash flows, leads in most verticals, and boasts a remarkable dividend history.

## Huge upside potential

Canfor flies under the radar but is getting investor attention of late. The \$3.69 billion firm from Vancouver has a market cap of \$3.69 billion. North America's leading integrated forest products company also has a significant stake (54.8%) in Canfor Pulp Products. The latter is the largest Northern Bleached Softwood Kraft Pulp producer, including high-performance Kraft paper.

The lumber and pulp & paper segments are its revenue generators. Business is brisk, as evidenced by the impressive earnings after three quarters in 2021. Total sales increased 59.4% to \$6 billion compared with the same period in 2020, while net income ballooned 553.6% to \$1.36 billion year over year.

Canfor boasts manufacturing facilities in North America that produce high-quality dimension lumber, value-added finishing products, and top-quality pulp & paper. It also engages in producing wood pellets and green energy. Market analysts have "buy" to "strong buy" ratings. Based on their forecasts, the upside potential in one year is between 35.6% and 58.6%. The current share price is \$29.63.

## Attractive prospects

Value investors have two attractive prospects in Transcontinental and Canfor. Both businesses are recovering from the pandemic superbly, and the stocks' breakout in 2022 is imminent.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CFP (Canfor Corporation)
2. TSX:TCL.A (Transcontinental 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. cliew
2. kduncombe

### Category

1. Dividend Stocks
2. Investing

### Date

2025/07/21

### Date Created

2021/12/10

### Author

cliew

default watermark

default watermark