3 Totally Undervalued TSX Stocks to Buy Cheap

Description

A number of TSX stocks trade below their intrinsic values following the index's 4.22% loss in the last 30 days. Investors can take advantage by scooping totally undervalued stocks before 2021 closes.

WELL Health Technologies (TSX:WELL), **Mogo** (TSX:MOGO)(NASDAQ:MOGO), and **Vermilion Energy** (TSX:VET)(NYSE:VET) trades cheap vis-à-vis their growth potential. All three could have explosive starts to 2022.

Expect consistent strong results

Healthcare is the worst-performing sector (-21.41%) as the year winds down. However, WELL Health Technologies deserves investors' full attention entering the new year. The $1.06 billion company plays a vital role in advancing the digital health modernization in Canada.

Health will remain a major concern of the federal government and the entire populace next year. Hence, this healthcare deserves the buy rating of market analysts despite the 38.76% year-to-date loss. The 12-month average price target is $11.83, or a 142% upside from the current share price of $4.93.

WELL boasts a practice management platform that empowers healthcare providers whether inside or outside its outpatient medical clinic network. It's now Canada's largest outpatient medical clinic owner-operator and leading multi-disciplinary telehealth service provider.

In Q3 2021, management reported an eye-popping 771% increase in revenues compared to Q3 2020. Two recent acquisitions, CRH Medical and MyHealth Partners, were the primary growth drivers. Not to be outdone is WELL's Virtual Services, which delivered a 597% year-over-year increase in revenue.

Its chairman and CEO Hamed Shahbazi said, "Our outlook is strong and resilient with 93% of our revenues being recurring or highly re-occurring." Expect WELL to deliver consistent strong results in the quarters to come.

Thriving fintech

Canadians are also concerned with their financial health going into 2022. Mogo's business is flying this year, as evidenced by the accelerating growth in member base. As of September 30, 2021, it has reached nearly 1.8 million, a 54% increase from the prior-year period.

In Q3 2021, subscription & services revenue, payment processing volume, and total revenue increased 126%, 65%, and 58% versus Q3 2020. David Feller, Mogo's founder and CEO, said the quarterly result showcased the strength and diversification of its core business and the power of its business model.

The fintech stock trades at discount (-14.88% year to date), although market analysts are bullish. They forecast the price to climb 227.7% from $4.12 to $13.50 in one year.

High growth and high upside potential

As the best performer in 2021, the energy sector produced several high-growth stocks. Vermilion Energy is a high flyer with incredible upside potential. Despite the +141.73% year-to-date gain, the price of $13.73 could still top the $20 mark soon.

After three quarters in 2021, the $2.35 billion petroleum and natural gas producer had $597.6 million funds from operations (FFO). Vermilion's total sales increased 63.5% to $1.3 billion versus the same period in 2020. Notably, net earnings reached $804.1 million compared to the $1.45 billion net loss a year ago.

The good news to would-be investors is management's plan to reinstate dividend payments in Q1 2022. If the board approves, fixed quarterly dividend would be between 5% and 10% of FFO.

Cheap buying opportunities

WELL Health, Mogo, and Vermilion Energy are must-buys this instant. Investors shouldn't pass up on these three cheap buying opportunities.

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3. TSX:MOGO (Mogo Inc.)
4. TSX:VET (Vermilion Energy Inc.)
5. TSX:WELL (WELL Health Technologies Corp.)

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