



Got \$300? 3 Cheap TSX Stocks to Buy Now for 2022

Description

The resurgent virus and downtick in growth rate have led to a strong pullback in several TSX stocks, making them cheap on the valuation front. Let's zoom in on three such stocks that have corrected significantly from their peak and could deliver stellar returns in 2022 and beyond.

Air Canada

The new coronavirus variant and equity dilution took a toll on **Air Canada** ([TSX:AC](#)) stock, wiping out a significant portion of its value. It's worth noting that Air Canada's current stock price is about 58% lower than pre-COVID levels.

Despite the near-challenges, I am [bullish about Air Canada's](#) prospects and expect it to deliver strong revenues in the coming quarters. Notably, Air Canada's capacity and traffic marked significant improvement during the last reported quarter. I expect the trend to sustain, thanks to the higher bookings.

Air Canada expects to expand its ASM capacity further in Q4, which will likely boost its revenues. Moreover, the ongoing strength in its cargo business augurs well for growth. I believe the recent selling in Air Canada stock indicates that negatives are priced in. Meanwhile, recovery in corporate demand and easing of international travel restrictions could significantly boost its financial and operating performance.

Lightspeed

Lightspeed ([TSX:LSPD](#))([NYSE:LSPD](#)) has witnessed massive selling recently. A confluence of factors, including a short-seller report, valuation concerns, and expected moderation in organic growth rate, weighed on Lightspeed stock. Given the selling, Lightspeed stock has lost nearly 65% of its value in the last three months.

The significant drop in Lightspeed stock has led to [compression in its valuation](#). Its NTM EV/Sales

multiple of 8.2 is significantly lower than its historical average and provides a good buying opportunity. Further, I expect Lightspeed to benefit from the ongoing shift in selling models towards omnichannel platforms and continued demand for its digital offerings.

The increased penetration of its payments offerings provides a solid base for future growth. Furthermore, existing customers adopting multiple modules will likely drive its average revenue per user. Lightspeed will also benefit from its expansion into high-growth markets. Moreover, its strategic acquisitions and new product launches will likely accelerate its growth and support the uptrend in its stock.

Cineplex

Cineplex ([TSX:CGX](#)) stock has lost a significant portion of its value amid the pandemic. While its stock witnessed buying in the recent past, it is trading at roughly 60% discount from the pre-pandemic levels. I am bullish on Cineplex and expect it to benefit significantly from the normalization in demand trends.

It is worth noting that Cineplex has reopened its entire circuit of theatres and is witnessing a recovery in revenues. Further, its cost control measures will likely cushion its bottom line. With an expected improvement in demand and capacity and cost management initiatives, Cineplex's cash burn could go down further in the coming quarters.

Overall, its diversified revenue streams, CineClub subscription program, strong film pipeline, and return to normalcy will drive its financials, in turn, its share price.

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1. Investing
2. Stocks for Beginners

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2. TSX:AC (Air Canada)
3. TSX:CGX (Cineplex Inc.)
4. TSX:LSPD (Lightspeed Commerce)

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