



3 Undervalued Stocks to Buy Cheap in 2022

Description

Canada's primary stock market index hasn't advanced substantially from year-end 2021 (+0.63%), and only four of the 11 primary sectors are in positive territory as of January 14, 2022. The energy (+16.19%), financial (+4.89%), telecom (+1.13%), and consumer discretionary (+0.51%) sectors lead the advancers.

The good news to investors this mid-month is that they can purchase three [undervalued stocks](#) at cheap prices. **Tourmaline Oil** ([TSX:TOU](#)), **Corus Entertainment** ([TSX:CJR.B](#)), and **Dye & Durham** ([TSX:DND](#)) trade below their intrinsic values.

Extensive asset base

[Energy stocks](#) with massive growth potential are hard to pass up. Market analysts have buy to strong buy ratings for Tourmaline Oil. They forecast a return potential between 37.19% and 67.73% in one year. The current share price is \$45.31, while the dividend yield is 1.63%.

The \$13.59 billion company has an extensive asset base in the Western Canadian Sedimentary Basin. Through aggressive exploration, development, production, and acquisitions, Tourmaline expects to provide strong and predictable long-term growth and a steady return to shareholders.

In the nine months ended September 30, 2021, the company reported 111% and 149% increases in revenue and cash flow, respectively, versus the same period in 2020. Notably, net earnings reached \$1.02 billion, or a 9,565% turnaround. Tourmaline has yet to report its full-year 2021 results. However, it expects a \$2.8 billion free cash flow this year from a capital spending of \$1.125 billion.

Strong start to fiscal 2022

Corus Entertainment is absurdly cheap (\$5.30 per share), although the 12-month average price target of analysts is \$8.18 (+54.34%). The overall return to would-be investors should be higher if you factor in the 4.53% dividend. In Q1 fiscal 2022 (quarter ended November 30, 2021), management presented

impressive numbers.

The \$1 billion media and content company reported 10% and 28% growth in consolidated revenue and free cash flow, respectively, versus Q1 fiscal 2021. Net income, however, declined by 1%. Corus's president and CEO Doug Murphy said, "We have delivered a strong start to the year with impressive double-digit revenue growth and notable free cash flow."

Murphy added, "Television revenue in Q1 surpassed pre-pandemic levels, benefiting from Global TV's winning Fall schedule and robust advertising demand." He noted that the re-aggregation of its channels business on streaming platforms should provide long-term resiliency and growth potential. Management also sees future growth opportunities in digital video and Corus-owned content business.

\$1 billion adjusted EBITDA

Dye & Durham is a [potential multi-bagger](#). Based on analysts' price forecasts, the current share price (\$41.61) could climb 54.77%, on average, to as much as 85.05% in 12 months. This tech stock also pays a modest 0.18% dividend.

The platform of this \$3.16 billion legal technology company connects the largest global network of professionals with public records. In early December 2021, management announced a transformational acquisition.

Dye & Durham will purchase Link Administration Holdings Limited, a technology-driven market leader in Australia. According to its CEO Matthew Proud, Link fits perfectly well with Dye & Durham's "Build to a Billion" strategy (\$1 billion adjusted EBITDA).

Great value buys

Tourmaline Oil, Corus Entertainment, and Dye & Durham are great value buys in January 2022. Their breakouts in one year or less could be imminent.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:DND (Dye & Durham Limited)
3. TSX:TOU (Tourmaline Oil Corp.)

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