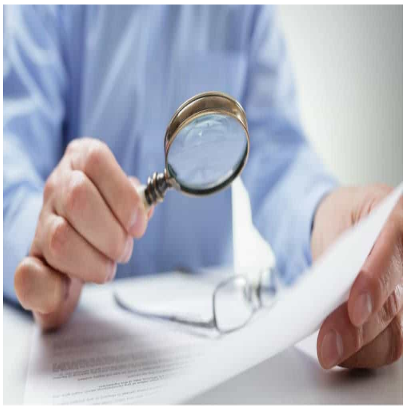

3 Cheap Canadian Stocks With P/E Ratios of Less Than 10 Times

Description

The price-to-earnings (P/E) ratio is one of the most basic valuation metrics for investors to find cheap Canadian stocks. It certainly does have its limitations, but it can also be a great way to identify stocks that are worth a second look.

Just like any other valuation metric, you can't solely rely on the P/E ratio. Furthermore, not every stock's P/E ratio will be an accurate representation, depending on the accounting method used and the industry it's in.

But these three stocks all have telling P/E ratios. And they are all so cheap that they look to be some of the best Canadian stocks to buy now.

An incredibly cheap Canadian media stock

One of the cheapest stocks to buy in Canada, and one that's been undervalued for a while now, is **Corus Entertainment** (TSX:CJR.B). At first, the discount in Corus's shares made sense. The company was in a significant turnaround, focusing on reducing its massive debt load when the pandemic hit. And initially, its sales saw a considerable impact.

However, Corus and the media industry quickly recovered from those impacts, and over the last few years, through the pandemic, it has continued to reduce its debt and improve the strength of its balance sheet. So, the fact that it still trades so cheap today makes it one of the best Canadian stocks to consider.

At the moment, Corus shares trade with a forward P/E ratio of just 5.6 times. Furthermore, its forward enterprise value (EV) to EBITDA ratio, another excellent valuation metric, is currently just 4.9 times, which is also quite low.

Corus is clearly one of the cheapest stocks in Canada and offers an incredible opportunity for long-term investors willing to wait for it to reach fair value. Plus, in addition to the significant discount ittrades at, Corus also pays a dividend with a current yield of roughly 5%.

A Canadian seafood company

Another ultra-cheap Canadian stock that's worth consideration today is **High Liner Foods** (TSX:HLF). High Liner is a leading company in the frozen seafood industry. The company has several retail brands it sells throughout grocery stores in North America. It also has a wholesale business to supply restaurants.

High Liner has been in business for over 120 years, so it's a company with an excellent track record and tonnes of experience. It also offers a wide selection of products, which is a major reason why it's the top frozen fish manufacturer in Canadian retail and the top prepared frozen fish manufacturer in the U.S. retail market.

The company has excellent operations and recently has improved its financials, specifically its margins . And now, with the company generating more profit, it looks to be undervalued.

Currently, the stock is trading at a forward P/E ratio of just 8.2 times. Furthermore, its forward EV/ EBITDA ratio is just 6.1 times. If you're looking for a cheap Canadian stock to buy today, High Liner is worth consideration.

An extremely cheap Canadian gold stock

Gold has been out of favour for some time, meaning there are plenty of gold stocks that can offer significant value, especially if you're looking to increase your exposure to gold. But one of the stocks that's much cheaper than its peers is **B2Gold** (TSX:BTO)(NYSE:BTG).

B2Gold is one of the lowest-cost producers in the industry. This allows it to have strong financials, and because B2Gold has negative net debt, it's a low-risk investment.

So, although gold has been out of favour over the last 16 months, B2Gold is incredibly profitable at these prices, making it one of the cheapest Canadian stocks to buy today. Of course, with inflation so significant right now, these gold stocks will see their costs of production rise.

However, over the medium term, as marginal costs rise for all gold producers, we can expect that to continue to push gold prices higher. So, owning a low-cost and highly profitable gold stock like B2Gold could pay dividends. Speaking of which, at the moment, B2Gold stock offers a yield of roughly 4.6%.

So, with the stock trading with a current P/E ratio of just 8.3 times, if you're looking to add gold exposure to your portfolio, B2Gold certainly looks like one of the cheapest Canadian stocks to buy today.

CATEGORY

1. Investing

2. Stocks for Beginners

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1. Editor's Choice

TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)
3. TSX:CJR.B (Corus Entertainment Inc.)
4. TSX:HLF (High Liner Foods Incorporated)

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