



2 Top Value Stocks to Buy in February

Description

Value stocks are finally having their day in the sun. Indeed, growth stocks have outshined value-oriented equities for quite some time. This past decade could probably be best described as the decade of the growth investor.

However, there remains a lot to like about certain value stocks right now. In Canada, there are a handful of [undervalued stocks](#) I've been pounding the table on of late. Here are two of my top picks in this regard.

Let's dive in.

Alimentation Couche-Tard

Among the value stocks I still think has tremendous upside from here is **Alimentation Couche-Tard** ([TSX:ATD](#)). Couche-Tard is one of the leading convenience store chains in North America. This company has been trading at a valuation that I've thought represented great value for some time.

Now, Couche-Tard stock has appreciated in value, and its valuation multiple has expanded since I started talking about this stock. However, Couche-Tard stock still is available to investors at a respectable [17 times earnings](#). Those who believe this company will grow its cash flow and dividend over time ought to like this valuation. Indeed, in the context of the overall market, Couche-Tard stock is still cheap.

One of the recent catalysts I've highlighted for Couche-Tard is this stock's move away from its dual-class share structure. For long-term investors, this is a good thing. This puts power back in the hands of investors and solidifies the investment thesis for this stock.

Couche-Tard continues to have impressive upside, as a company with the ability to consolidate the gas station and convenience store business further. Accordingly, this is a value stock I remain bullish on over the long term.

Manulife

Manulife ([TSX:MFC](#))([NYSE:MFC](#)) is a large-cap Canadian insurance player that's been trading at an attractive valuation for some time. However, unlike Couche-Tard, Manulife's multiple has remained relatively unchanged. Today, investors can still pick up shares of this company at less than eight times earnings.

Compared to any sector that's cheap, including the insurance and financials sectors. Thus, Manulife's value thesis is strong and easy to understand.

This company has continued to deliver dividend increases over time and has done a good job of allocating and investing capital. Accordingly, for those looking for insurance exposure, Manulife appears to be a great pick.

Yes, the pandemic did hurt Manulife's prospects. However, much of this was due to declining interest rates. With interest rates on the rise, there's a lot to like about Manulife's prospects from here.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:MFC (Manulife Financial Corporation)

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