



Looking to Buy Value Stocks? They Don't Get Much Cheaper Than These 2

Description

For months, as stocks were recovering from the pandemic and rallying rapidly, it was difficult to find many high-quality value stocks that were worth buying.

After the recent [volatility](#) in the markets, though, there are now plenty of excellent opportunities to consider.

So if you're looking to find a high-quality value stock to buy today, here are two of the cheapest stocks in Canada offering investors some of the best opportunities.

A top turnaround company that's poised to rally in 2022

If you're looking for a truly cheap value stock to buy that has little downside risk — as it's already so [undervalued](#) — then **Corus Entertainment** ([TSX:CJR.B](#)) is worth researching.

Corus is a media company that earns the majority of its income from its TV and streaming assets. It's a company that has struggled slightly to adapt to the changing media landscape. However, apart from the impacts of the pandemic, it also hasn't seen any real decline in its sales since cord-cutting began. The company also had a debt problem which it began to pay down a few years ago.

So with Corus in turnaround mode, it is still generating plenty of [free cash flow](#) and keeping its dividend intact, even through the pandemic, which shows how robust its operations are. Therefore, although the stock has warranted a discount due to its uncertainty in the past, today, it's in a much better position.

So after years of using much of its free cash flow to pay down debt and [strengthen its balance sheet](#), Corus continues to be ignored by the market and trades well undervalued, making it one of the best value stocks to buy now.

Corus currently trades at a forward [price-to-earnings](#) ratio of just 6.1 times and currently has a free cash flow yield of more than 23%. So now that its debt is much more manageable, management has signalled it could start buying back shares this year. This is another sign the stock is cheap, and a

signal this could be the start of its recovery.

With a true price-to-earnings ratio of just 6.1 times, as well as an enterprise value to [EBITDA](#) ratio of just five times, it's clearly one of the cheapest value stocks you can buy today. Plus, in addition to the capital gains potential it offers, Corus continues to pay a dividend that currently [yields](#) upwards of 4.6%.

A high-quality growth stock to buy while it's exceptionally cheap

Another exceptionally cheap Canadian stock to buy now that's not quite a value stock like Corus but is a screaming buy at this price is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Since the middle of November, just two and a half months ago, Shopify has lost over half of its value. Of course, the stock traded with a significant premium, so losing some value makes sense, especially as investors have been rebalancing their portfolios and reducing exposure to higher-risk growth stocks.

However, with the stock now trading right around \$1,000 a share, not only can you buy it without paying a significant growth premium, but Shopify hasn't been this cheap since before the pandemic began.

There is a tonne of potential for Shopify to continue growing over the long run as well. So even though it's not a true value stock, and even though it no longer has a tailwind from the pandemic, buying Shopify at this price without a massive growth premium is a significant opportunity.

At the current price, the massive Canadian growth stock trades at a trailing [price-to-sales](#) (P/S) ratio of just 24 times. That's a massive discount compared to where it was in June, trading at 53 times sales. Furthermore, today it trades at a forward P/S ratio of just 18 times, also the cheapest it's been since the pandemic began.

So if you're looking to take advantage of the recent volatility and find cheap Canadian stocks that offer huge value, Shopify is one of the best to buy now.

CATEGORY

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