



2 Canadian Stocks to Buy That Are Too Cheap to Ignore

Description

Value investing, finding cheap Canadian stocks trading well below their true value, and holding them until they recover can be an excellent strategy. One of the reasons value investing can offer so much potential, which was laid out by [Benjamin Graham](#), widely known as the “father of value investing,” is the concept of margin of safety. So, if you’re looking for cheap Canadian stocks to buy, finding companies with the biggest margin of safety is the goal.

The concept of the [margin of safety](#) is that if you’re buying a high-quality company that’s cheap, the more undervalued it is today, the less it can fall in the future. Furthermore, even if it doesn’t recover to its full value, if it’s considerably cheap, it could still have a tonne of upside.

The key, though, is to find high-quality stocks. Companies that are in a maturing industry, struggling to break even or going out of business will all likely trade cheap. The difference is, if the situation of the company worsens, the stock’s only going to get cheaper.

So, while we want to look for the most [undervalued stocks](#) we can find, it’s crucial to ensure that the business is strong and can continue to grow its operations over the long haul.

Luckily for investors, thanks to all the significant volatility lately, there are several cheap Canadian stocks to buy today. So, if you’re looking for high-quality Canadian value stocks to buy while they’re cheap, here are two of the best to consider today.

A cheap Canadian media stock to buy now

If you’re looking for value, one of the best Canadian stocks to buy now while it’s still cheap is **Corus Entertainment** ([TSX:CJR.B](#)).

Corus isn't a growth stock per se. However, it is slowly growing subscribers to its streaming services in addition to having a content-creation business, Corus Studios, that offers growth opportunities over the long haul as well. On top of that, Corus has several TV assets that earn it a significant amount in advertising dollars.

This business makes Corus a cash cow, bringing in tonnes of capital. In recent years, it's used much of this cash to address a debt problem, which is part of the reason it's been so cheap. However, after proving to be resilient through the pandemic, keeping its dividend intact, and continuing to reduce its debt load, the fact that the Canadian stock is still so cheap makes it one of the best stocks to buy today.

Right now, Corus trades at a forward enterprise value (EV) to EBITDA of just five times and a forward price-to-earnings ratio of just six times. In addition, the stock offers a current yield of 4.7%, giving investors another reason to buy and hold the Canadian value stock today.

Over the last two months, though, the stock has begun to rally and gain momentum. So, if you're looking for a cheap Canadian stock to buy now, I'd consider Corus soon.

A top Canadian tech stock with significant upside

In addition to Corus, another Canadian stock to buy now that's so cheap its margin of safety is massive is **AcuityAds Holdings** (TSX:AT)(NASDAQ:ATY).

AcuityAds is an Adtech stock that launched a revolutionary and proprietary platform in late 2020. This self-serve platform gives advertisers the ability to better manage ad campaigns and receive stronger analytics and information about target customers.

While the company builds its sales of the product, investors have become impatient. Furthermore, growth stocks, specifically early stage tech stocks, have been some of the hardest-hit recently, as investors rebalance their portfolios and move away from riskier investments. So, why is AcuityAds one of the best stocks to buy now that it's cheap?

The selloff it's seen, where its stock has fallen by 88% over the last 12 months, has made AcuityAds unbelievably undervalued. Therefore, there is little downside in the stock.

At current prices, AcuityAds has an EV of just \$120 million, giving it a forward EV to EBITDA ratio of just 5.9 times. That's cheap for any company, but the fact that AcuityAds is a growth stock with so much potential makes it even more undervalued.

Therefore, if you're looking for a cheap Canadian stock to buy today, AcuityAds offers an incredible opportunity.

CATEGORY

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2. Stocks for Beginners

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2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:ILLM (AcuityAds)

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Author

danieldacosta

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