



## 3 Undervalued Canadian Stocks to Buy in March

### Description

The correction in Canadian stocks is creating some attractive value opportunities for patient, [long-term investors](#). The keyword in that statement is *patient*. Who knows when the markets will reverse upward? It could be soon or it could be months yet.

There is certainly a wall of worry that the market faces. What I do know is that buying stocks in high-quality businesses at low valuations pays off over the long run. If you don't mind waiting, here are three top Canadian stocks that are [undervalued](#) today.

### A top Canadian retail stock

**Alimentation Couche-Tard** ([TSX:ATD](#)) has been one of the best stocks on the **TSX** over the past 10 years. In that time, it has delivered a 943% total return (26% averaged annually). It has done this by consolidating and building out a massive convenience store and gas station network across the world.

While that doesn't sound like a massive growth industry, Couche-Tard has been exceptional at allocating and [managing capital](#). This Canadian stock is particularly well positioned to win from a recovery to pre-pandemic travel and commuting trends.

Today, the company generates a significant amount of free cash flow. In 2021, it bought back nearly \$1 billion of stock. Today, it has a current program to buy back as much as 4% of its stock. Despite, this stock only trades for 16 times earnings and 12 times EBITDA. This is a fair price for a high-quality business.

### A top Canadian financial stock

Another undervalued stock any Canadian should own is **Brookfield Asset Management**(TSX:BAM.A)([NYSE:BAM](#)). This is one of the best-managed companies in Canada. Over the past 10years, it has delivered an average annual return of 20%. With over \$680 million of assets undermanagement, it is one of the largest alternative asset managers in the world.

Over the past five years, the company's operational results have significantly outperformed the return from its stock. Consequently, management is looking at opportunities to unlock value.

It is contemplating spinning out its asset-light asset management business. Brookfield believes this could unlock as much as 30-40% more value for shareholders from today's price. This Canadian stock is down about 10% this year and it looks like an attractive long-term buy here.

## A top global business conglomerate

**Brookfield Business Partners** ([TSX:BBU.UN](#))([NYSE:BBU](#)) is a cheap Canadian stock that many investors may not be familiar with. As per the name, it is the private equity subsidiary of Brookfield Asset Management mentioned above. This is a great way to get exposure to a diverse array of high-quality businesses across the globe.

The businesses it owns include private hospitals in Australia, a leading battery manufacturer, construction services, software businesses, a top trailer manufacturer, and global lottery services (to name a few). Often, these businesses have a strong market position or competitive moat, and they generally yield a lot of cash. Brookfield provides capital, management expertise, and a global platform to help maximize their business performance.

The company has been growing steadily around 20% every year since inception. Management expects to meet or exceed that growth rate for the next five years going forward. Apply the [Rule of 72](#), and the stock could double in three-and-a-half years. Not to forget, with a price-to-earnings multiple of only 10, this Canadian stock is very cheap. That provides a nice margin of safety for investors willing to buy this top stock today.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BBU (Brookfield Business Partners L.P.)
2. NYSE:BN (Brookfield Corporation)
3. TSX:ATD (Alimentation Couche-Tard Inc.)
4. TSX:BBU.UN (Brookfield Business Partners)
5. TSX:BN (Brookfield)

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