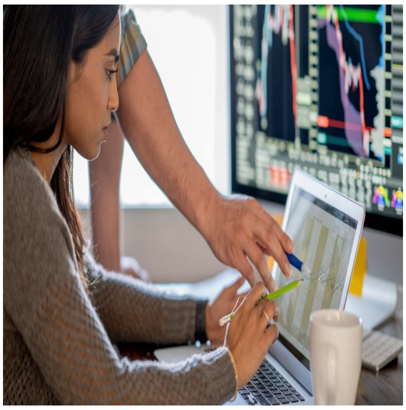

2 Mid-Cap Stocks in Deep-Value Territory

Description

Many top TSX stocks dropped into deep-value territory over the past several months of relentless selling. Indeed, most of the damage aimed at the tech sector has left many momentum chasers in a really bad spot. Many imploded growth stocks that shed over 70% of their value aren't coming back — at least not anytime soon.

Instead of doubling down and buying such names on the dip, it could make more sense to look at the firms that are still geared to make a full recovery this year. Indeed, many stocks were unfairly dragged down as Mr. Market suffered through a temporary bout of inefficiency. As a stock picker, it's a good idea to take advantage of such inefficient pricing practices made on his part. In this piece, we'll have a closer look at two dividend stocks that I'd be willing to pick up at current prices. Whether or not they've bottomed is not the question to ask. Looking out three or even five years, buying precisely at the bottom will not matter. If anything, zooming out at a longer-term chart may not even include such a local bottom.

In any case, it's time to start looking to the cheapest areas for a shot at bagging a big gain in a risk-off year. Without further ado, consider **Badger Infrastructure Solutions** (TSX:BDGI) and **Spin Master** (TSX:TOY). The former pick is battered and is beyond oversold. The latter has seen its relief rally stall, despite recent strength in the business. Both names reek of deep value here, but the former pick is only right for only the most venturesome of long-term investors, given its implied volatility.

Both deep-value names could plunge before they bounce. So, do your own homework before initiating a sizeable position! Deep-value investing is not for the faint of heart. It requires a contrarian mindset, a high pain tolerance, and the utmost patience.

Badger Infrastructure Solutions

Badger stock is right back to multi-year lows at $26 and change per share. The hydrovac soil excavator helps its clients dig in an environmentally friendly fashion. The stock has been clobbered and is now down around 47% from its all-time high just shy of $50 per share.

With a 2.4% yield, BDGI stock seems too risky to hold, given the operational inefficiencies witnessed in prior quarters. Despite the improving industry environment, it'll take some company-specific improvements to get the firm's operating margins out of the dirt. I think it can pull it off. The company looks to be one of the most intriguing plays in the TSX mid-cap universe, and it looks way too cheap to ignore here.

Spin Master

Spin Master is a toy company that I've praised non-stop through its recovery from the 2020 stock market meltdown. The company has operational leadership and a visionary team that can help the firm make the most of its wide roster of brands. Indeed, such a brand lineup suggests a wide moat for the firm. Despite headwinds, the company has been able to execute, with enviable growth in its digital games business, while continuing to improve operational results amid supply shortages and other COVID challenges.

I'm a huge fan of Spin Master and think it may be one of the most compelling mid-caps on the TSX today. Don't sleep on the firm, as it looks to stage an epic recovery to new highs. The 17.5 times earnings multiple is far too low, given the long-term growth you'll get. The $4.3 billion firm is a buy.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
2. TSX:TOY (Spin Master)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. joefrenette
2. kduncombe

Category

1. Investing

Date

2025/08/05
Date Created
2022/03/17
Author
joefrenette