



## 3 of the Best Value Stocks You Can Buy Below \$20

### Description

After the last few months that the market has had, plenty of stocks are trading undervalued. This is crucial because finding high-quality value stocks to buy can earn you major returns, especially if you can find investments offering a significant margin of safety.

The key is to make sure that although the stock may be facing headwinds today, over the long run, it should be able to recover and offer attractive growth potential.

It's not uncommon for stocks to trade cheap for a reason. And sometimes, although a stock may look cheap, if its business is maturing and it can't find growth, there's a possibility the stock price will never recover.

So, if you're looking for some of the best value stocks to buy now, here are three of the best that all trade for less than \$20 a share.

### One of the best value stocks to buy on the TSX

If you're looking for value stocks and want a significant margin of safety, one of the best value stocks to buy on the TSX today is **Corus Entertainment** ([TSX:CJR.B](#)).

Corus is a media company with television and radio assets. For years, it's been a business that investors have been concerned with due to the significant rise in streaming services. In addition, only a few years ago, Corus had a considerable debt load that made investors nervous.

Throughout the last two years, though, it's been performing well. The company's advertising sales have remained strong, and it's continued to generate tonnes of free cash flow, much of which is used to pay down debt.

So, not only has Corus shown it can continue to operate efficiently in this environment, but it's also been strengthening its balance sheet considerably.

Therefore, with the stock trading at a forward [price-to-earnings](#) (P/E) ratio of just 5.4 times, it's clear that the stock is ultra-cheap. And even though Corus has been cheap for years, its forward P/E ratio is still below its five-year average of 6.7 times.

Therefore, with Corus trading at such a massive discount, it's certainly one of the best value stocks to buy now.

## **This recovery stock is offering long-term investors tonnes of value**

In addition to Corus, another top Canadian stock to buy now is **Cineplex** ([TSX:CGX](#)). Cineplex has been cheap ever since the pandemic hit. The company was one of the hardest hit by the pandemic. Now that it's recovering, though, and its share price has yet to budge, it's one of the best value stocks to buy.

At just under \$13 a share, and with its business rapidly recovering, Cineplex now trades at a forward enterprise value (EV) to EBITDA ratio of 6.4 times. For comparison, before the pandemic, its EV-to-EBITDA ratio was roughly 16.5 times. Even its five-year average is approximately 11.9 times, so it's clear just how cheap Cineplex is trading today.

There may not be a better time to buy either. In the last three quarters, Cineplex's sales have come in 310%, 472%, and 452%, respectively, above where they were in the same quarter the year prior.

Therefore, with Cineplex recovering so rapidly yet still trading undervalued, it's easily one of the best value stocks to buy now.

## **A top Canadian REIT trading ultra cheap**

Lastly, there are tonnes of REITs trading cheaply in this market environment. However, of all the discounts across the sector, one of the best value stocks to buy now is **First Capital REIT** ([TSX:FCR.UN](#)).

First Capital is a mixed-use REIT that focuses primarily on grocery and drugstore-anchored shopping centres in high-population areas. Not only does it own and operate these assets, but it's also a developer, offering tonnes of long-term growth potential for investors.

Recently, the stock has come under pressure as its debt load had been mounting. However, First Capital is making great progress in deleveraging its balance sheet. So, with the stock now in a much better position, it's now significantly undervalued.

Currently, First Capital trades at just 0.7 times its net asset value. Furthermore, its forward price-to-funds-from-operations ratio is just 13 times, well below its historical norm of 16 to 18 times that it traded at before the pandemic. Therefore, if you're looking for value stocks to buy now, First Capital is one to strongly consider.

### **CATEGORY**

1. Investing

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1. Editor's Choice

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2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:FCR.UN (First Capital Real Estate Investment Trust)

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