



Forget Air Canada: 2 Stocks Offering Much Better Value

Description

Even with the effects of the pandemic well in the rearview, stocks like **Air Canada** ([TSX:AC](#)) continue to attract a tonne of attention from investors. It's not surprising that Air Canada stock continues to be popular simply because it looks ultra-cheap.

After the initial and significant pandemic selloff, almost every stock rallied back to fair value rapidly. One of the few stocks left that didn't recover was Air Canada.

And to this day, the massive airliner has yet to see any recovery in its share price at all. This has many investors watching Air Canada stock, as it looks ultra-cheap; it's currently more than 66% off its pre-pandemic high.

In reality, though, due to all the debt that it's taken on, its [enterprise value](#) is not that much cheaper than it was before the pandemic.

And now, after the market has been selling off significantly all year, there are tonnes of Canadian stocks trading [undervalued](#).

If you're looking to find the best discounts, I'd forget about Air Canada stock. Here are two high-quality businesses instead that offer much better value.

A top financial stock offering much better value than Air Canada

If you're looking for one of the best stocks to buy now, **goeasy** ([TSX:GSY](#)) offers much more value than Air Canada.

First off, the stock is ultra-cheap. However, it's also growing extremely well and is expected to continue expanding its operations over the coming years.

For comparison, Air Canada stock is not even expected to earn a profit this year and is being valued by its expected earnings in 2023. And going off what analysts expect Air Canada to earn in 2023, the

stock is trading at a forward price-to-earnings ratio of 12.8 times.

Meanwhile, according to analysts, goeasy is still expected to continue earning a profit this year, grow it by 24% next year and by another 18% in 2024.

So, not only does goeasy trade at just 7.9 times its expected earnings this year, it trades at just 6.8 times its expected 2023 earnings. That's much cheaper than Air Canada stock.

Plus, in addition to both the value and growth that goeasy offers, it also pays an attractive dividend and has been growing rapidly in recent years. Furthermore, goeasy faces far fewer headwinds over the next couple of years.

Therefore, there's no question it's a better investment than Air Canada stock both in the short term and, more importantly, over the long haul.

One of the best Canadian stocks to buy while it offers considerable value

Another ultra-cheap stock that you'll want to consider today and that is certainly a much better investment than Air Canada stock is **WELL Health Technologies** ([TSX:WELL](#)).

WELL is a much different stock than Air Canada. However, as with almost every company in Canada, it's been selling off this year. Plus, because it's a tech stock and a smaller one that's still working on growing sales and profitability, the market sees it as a higher-risk investment, resulting in a much bigger selloff for WELL this year.

But while the tech stock is smaller and still working on growing sales, it's proven that it can grow organically and do so rapidly. Furthermore, although its main services are tech-based, the company operates in the healthcare sector, a much more defensive industry.

So, with the fact that WELL, an incredible growth stock with far more long-term upside, is also cheaper than Air Canada today, it's certainly one you'll want to consider.

As I mentioned above, Air Canada stock is trading at 12.8 times its estimated 2023 earnings. That's slightly more than WELL, which is trading at 11.9 times its estimated 2023 earnings.

Plus, when you consider that WELL has much more potential to grow its business both in the next couple of years and over the coming decades, it's clear that it offers much more value for investors today than Air Canada stock.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:GSY (goeasy Ltd.)
3. TSX:WELL (WELL Health Technologies Corp.)

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. danieldacosta
2. kduncombe

Category

1. Investing

Date

2025/08/24

Date Created

2022/07/06

Author

danieldacosta

default watermark

default watermark