3 TSX Stocks You'll Be Glad You Bought at These Prices

Description

For much of the past decade, TSX stocks have been priced based on expectations of a perfect future. In 2022, many of these stocks adjusted to reality and are now priced based on current fundamentals. In fact, some are trading *below* fundamentals.

That means it's the perfect time to snap up high-quality companies at unbelievable prices. Here are the top three TSX stocks you'll be glad you bought at these prices.

WELL Health Technologies

Healthcare technology firm **WELL Health Technologies** (TSX: WELL) has delivered stunning returns to early investors. If you'd placed just $1,000 in this stock when it was listed in 2016, you'd have $25,000 right now. That's an astounding compound annual growth rate of 71%!

What makes this more incredible is that this is the return *after the tech crash.* WELL Health has lost 44% of its value year to date and is trading well below its all-time high. Meanwhile, the underlying business is thriving. The expansion into the U.S. continues and sales are up every quarter.

The company recently lifted its full-year guidance for revenue to exceed $525 million. Meanwhile, the company is worth just $657 million. That's a price-to-sales ratio of 1.25. This undervalued stock should certainly be on your list for 2023.

TransAlta Renewables

The ongoing energy crisis has brought oil and gas stocks back into focus. The energy sector has outperformed the rest of the stock market this year by a wide margin. However, investors may have overlooked the opportunity in *green* energy.

Renewable energy stocks like **TransAlta Renewable** (TSX:RNW) have underperformed the market. The stock is down 39% year to date. But green energy sources such as wind, solar and hydro are part of the solution to the ongoing energy crisis.

TransAlta operates 50 facilities across the U.S., Canada, and Australia. These facilities collectively generate 3,214 megawatts of electricity. Management expects $495 million and $535 million in EBITDA (earnings before interest, taxes, depreciation, and amortization) next year. That means the stock is currently trading at just 5.6 times EBITDA.

Put simply, this green energy stock is cheap and overlooked. It also offers an 8% dividend yield. Snap it up at current prices.

Tamarack Valley Energy

As mentioned before, oil and gas stocks have had a splendid year. Many of these companies are up 40% to 50% year to date. However, smaller energy stocks have been overlooked in this bull market.

Tamarack Valley Energy (TSX:TVE) is up just 3.7% year to date. That's significantly lower than its mid-cap and large-cap peers. However, the company's underlying business has seen the same windfall as the rest of the sector. Quarterly profit was up a staggering 523% from last year. That means the stock is now trading at a price-to-earnings ratio of just 4.2.

Investors who expect oil prices to remain stable (or surge higher) in 2023 should certainly add this undervalued energy stock to their list.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)
2. TSX:TVE (Tamarack Valley Energy Ltd)
3. TSX:WELL (WELL Health Technologies Corp.)

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