



3 Under-the-Radar Stocks to Buy in February 2023

Description

Under-the-radar stocks are usually undervalued as well. [Most investors](#) seek out [blue-chip](#) stocks, which leaves more room for investors who are willing to dig a little deeper for value.

With that in mind, here are the top three underrated stocks that should be on your watch list in 2023.

#1: Tamarack Valley Energy

Calgary-based **Tamarack Valley Energy** ([TSX:TVE](#)) is an interesting energy stock that should be on your radar. The firm has a portfolio of oil drilling facilities spread across the Western Canadian Sedimentary Basin.

The company is worth \$2.3 billion, and its stock trades at \$4.13 per share. That's roughly triple its valuation in 2021. Tamarack led the energy bull run last year. Surprisingly, the stock is still underrated, underfollowed, and undervalued.

TVE stock trades at 4.6 times earnings per share. It also offers a sizable 3.3% [dividend yield](#) that's likely to be raised this year if the energy market remains buoyant. Management has initiated a buyback program, which highlights just how valuable this overlooked stock is. Keep an eye on it.

#2: Alimentation Couche-Tard

Gas station and convenience store operator **Alimentation Couche-Tard** ([TSX:ATD](#)) is another excellent value stock to keep an eye on. Couche-Tard is sitting on an immense pile of cash that was meant to be deployed in a mega-acquisition before the pandemic. However, the company has struggled to get a good deal so far, which means that cash is still lingering on its balance sheet.

I expect this cash to eventually find its way back to shareholders. Either the company finds an attractive takeover target in the next few years or hands the money back in the form of dividends or share buybacks.

Meanwhile, the stock is trading at just 16.9 times earnings per share. Add this one to your value stock watch list for 2023.

#3: MDA

[Tech](#) and growth investors have shifted their focus from blockchain to the metaverse and now artificial intelligence. Meanwhile, the space race is gathering steam and stocks in this sector are being overlooked.

MDA ([TSX:MDA](#)) is a prime example. The company plays a key role in NASA's upcoming Artemis missions. It is developing the robotic space arm on the lunar gateway. Meanwhile, it's also developing all the satellites that are needed for the Emergency SOS via satellite feature on the latest iPhone.

Altogether, the company has \$1.5 billion in outstanding orders on its books while its market value is just \$790 million. The stock trades at 45 times earnings, which I believe is appropriate for a high-growth stock in an emerging area of commercial interest. Keep an eye on this overlooked opportunity.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:MDA (MDA Ltd.)
3. TSX:TVE (Tamarack Valley Energy Ltd)

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