



3 Unbelievably Cheap Growth Stocks to Buy Today

Description

July is usually the month when investors power up their portfolios with growth stocks. The more resourceful investors will take it a step further. At the halfway mark of this year, some growth stocks are priced ridiculously cheaply but offer strong upsides.

Would you believe that shares of **Transcontinental Inc.** ([TSX:TCL.A](#)), **TransAlta Renewables Inc.** ([TSX: RNW](#)) and **Uni-Select Inc.** ([TSX:UNS](#)) are all trading below \$15.00 at writing? It's preposterous, but investors who are building third-quarter portfolios shouldn't miss out on these [bargains](#).

Synergizing printing with packing

Analysts are expecting the smooth transition of Transcontinental Inc. from a printing company to a packing company. They are pinning their hopes on the strong management team that will ensure better growth in the new business.

The stock is currently selling at only \$14.59 at writing, but with the successful pivot to the packing business, the price could soar by as much as 85.05% to \$27.00. Others wouldn't be swayed to invest immediately. There is a steep learning curve before the company gets into the groove of things.

But investors should instead listen directly from the horse's mouth. President and CEO François Olivier is confident that profit margins will progressively increase in the succeeding quarters once the synergy of the printing and packing businesses are fully realized.

The packing business contributed 41.5% to the total revenue of \$767.4 million IN Q2 2019 but net earnings decreased by 67.6% due to the acquisition of flexible packaging firm Coveris Americas. The business will pick up from here on in, and investors should expect the dividend yield of 3.68% to rise too.

IPP that pays high dividends

TransAlta Renewables is a bargain at \$13.85. The stock is a [wealth-builder](#) as the five-year average dividend yield of 6.85% is better than the market average. At the moment, the forecast upside is minimal. However, the current price is a reasonable entry point before the momentum picks up.

The \$3.65 billion renewable independent power producer (IPP) is among the largest Canada. I like the asset platform as well as economic interests because they're highly diversified. The total ownership interest redounds to 2,414 megawatts of owned generating capacity.

For investors looking for cheap growth stocks with growth opportunities in renewable energy and natural gas power generation, TransAlta is the hands-down choice.

New growth opportunity

Canada's automotive parts distributor Uni-Select is undergoing a strategic evaluation by the new man at the helm. The \$526 million company hasn't been in the red, although net income has been on the decline in the last three years.

The elevation and appointment of Brent Windom as President and CEO means a transformational change is coming to the company. As the new head ponders on the future of FinishMaster in the U.S., Uni-Select opened the largest-ever distribution centre in Calgary.

The new facility is Windom's brainchild and a key to the company's long-term growth. Uni-Select might decide on the divestment of the paint business which will be for the good. Uni-Select is down 36.0% year-to-date with a price of \$12.18. There's no way to go but up when the company's transformation begins.

Sometimes, the ridiculously cheap growth stocks also bring incredible returns.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)
2. TSX:TCL.A (Transcontinental Inc.)
3. TSX:UNS (Uni-Select)

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