



3 High-Growth Stocks Under \$50 to Buy and Hold for Decades

Description

I don't believe that low-cost stocks guarantee huge growth. However, a few smaller dollar amount stocks have the potential to rake in massive gains over the next decade. Here are three such stocks trading under \$50 with strong fundamentals and a long growth path in front of them.

Absolute Software

With a market price of \$15.64 (as on August 20), **Absolute Software** (TSX:ABT) is among the top under \$50 growth stocks to buy and hold for decades. Its shares have more than doubled in one year. Further, it's up about 80% year to date.

The company offers cloud-based services that help in the management and security of data, computing devices, and applications. The demand for Absolute Software's products and offerings remains high due to the increasing cyber-attacks and data breaches. Meanwhile, the structural shift to remote work and distance learning amid the COVID-19 pandemic further accelerates and expands its growth opportunities.

Its annual recurring revenues continue to grow at a healthy pace over the past several quarters and indicate that the company's future revenues are likely to remain strong. Besides, the acquisition of new customers and a high retention rate further support growth.

Absolute Software maintains strong liquidity with a [debt-free](#) balance sheet. Moreover, the lack of direct competitors and growing demand present a strong underpinning for future growth.

Algonquin Power & Utilities

Having shares of **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) in this list might come as a surprise. However, investors should note that the utility company has generated stellar growth for its investors in the last decade. If you invested \$1,000 in Algonquin Power & Utilities 10 years ago, it would be worth \$4,280 now.

While investors benefitted from strong capital gains, Algonquin Power & Utilities further boosted returns through higher dividends. Algonquin has consistently raised its dividends for 10 years in a row. Besides, its dividends have grown at an annual rate of 10%.

Its low-risk and high-growth business offer a strong base for capital appreciation in the long run. Meanwhile, its predictable cash flows support its dividends. Algonquin Power & Utilities offers a decent dividend yield of 4.5%, which is very safe.

Lightspeed POS

A secular shift toward the omni-channel platform provides **Lightspeed POS** ([TSX:LSPD](#)) a [strong runway for growth](#). The pandemic is leading small- and medium-sized retailers and restaurateurs to move online owing to meet the growing customer demand and stay afloat.

The shift has led to stellar growth in demand for Lightspeed's platform that helps these businesses to manage payments, e-commerce, supply chain, and inventory. The company is witnessing strong growth in customers and gross transaction volume.

I believe the shift to online should continue even after the pandemic is over and support the upside in Lightspeed stock. The favourable industry outlook and its high growth justify Lightspeed's valuation, which could expand further in the coming years.

Bottom line

Given the high-growth nature of these three companies, investors should ideally hold these under \$50 **TSX** stocks for longer-term to maximize their gains. Remember, even a small investment in these stocks could go a long way.

CATEGORY

1. Dividend Stocks
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:ABST (Absolute Software)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:LSPD (Lightspeed Commerce)

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Date

2025/07/05

Date Created

2020/08/21

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