



## 2 Great Canadian Stocks for Under \$30 a Share

### Description

I have said several times before that you don't need a lot of money to participate in the equity markets. Investing smaller dollar amounts regularly in high-quality stocks could help you build wealth in the long term.

Here we'll focus on two high-quality smaller dollar amount stocks you can buy for less than \$30. These companies have strong fundamentals and ample growth catalysts that could help them deliver strong returns over time.

### Kinross Gold

Many would be surprised to see **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) stock on the list as investors look up to gold when the economy is in distress, not when it has the potential to revive. While the pace of economic recovery might accelerate in 2021, making gold unattractive, I see Kinross Gold as a long-term value play, which could deliver exceptional returns.

Kinross Gold stock is currently trading at the next 12-month EV/EBITDA multiple of 5.4, which is about 35% lower than its peer group average of 8.3. Moreover, its net 12-month P/E ratio of 11.1 is about 41% lower than the peer group average of 18.3.

While Kinross Gold stock attracts on the valuation front, the expected increase in production and decline in costs should help the company deliver strong margins. The company is focusing on reducing costs and enhancing productivity to lower its all-in sustaining costs, which should support its earnings growth.

Kinross Gold's strong balance sheet, superior exposure to gold (gold revenue as a percentage of total revenue), and competitive cost profile positions it well to deliver strong returns in the coming years. Moreover, the company reinstated its dividends and currently offers a decent yield of 1.7%.

## Algonquin Power & Utilities

The renewable energy and utility company **Algonquin Power & Utilities** ([TSX:AQN](#)) ([NYSE:AQN](#)) is another top stock to build wealth in the long run. Besides capital appreciation, Algonquin Power & Utilities boosted its shareholders' returns through [higher dividend payments](#).

Algonquin Power & Utilities has raised its dividends at a compound annual growth rate (CAGR) of 10% since 2010, thanks to its resilient business that delivered strong earnings and cash flow growth. The company's adjusted earnings have increased at a CAGR of 13.5% from 2014 to 2019.

Investors could expect continued growth in dividends, thanks to the low-risk utility business that generates robust cash flows. Notably, 85% of its output is contracted with an average weighted remaining life of 13 years.

Looking ahead, Algonquin Power & Utilities expects its [rate base](#) to increase at a CAGR of 11.2% through 2025, which is likely to support its bottom line growth and its dividends. The company projects its adjusted EPS to grow at a CAGR of 8-10% from 2021 to 2025.

The company continues to invest in rate base and plans to expand its renewable footprint. Moreover, it expects its adjusted EBITDA to increase at a CAGR of 15% over the next five years.

Algonquin Power & Utilities' strong balance sheet, conservative business mix, investment in rate base growth, and strong adjusted earnings outlook makes it a solid investment for the long term. The company currently pays an annual dividend of US\$0.62 a share, reflecting a yield of 3.8%. Moreover, it expects a 10% increase in its annual dividend for 2021.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:K (Kinross Gold Corporation)

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