



The 3 Best Canadian Stocks Under \$30 to Buy Right Now

Description

Looking for shares that are trading for less than \$30? Consider buying the shares of **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)), and **Real Matters** ([TSX:REAL](#)). These companies have delivered significant returns in the past, have good growth prospects, and are likely to deliver strong returns in the long term.

Algonquin Power & Utilities

Algonquin Power & Utilities has consistently delivered [incredible returns](#). Its stock has appreciated by about 135% in five years. Algonquin Power & Utilities has boosted its investors' returns through higher dividends. It has hiked its dividends at a compound annual growth rate (CAGR) of 10% in the past 10 years.

The company's strong returns are backed by its high-quality earnings base. Algonquin Power & Utilities's consistent rate base growth and accretive acquisitions led to double-digit growth in its adjusted EPS over the past several years and drove its stock higher.

Algonquin Power & Utilities is expected to benefit from rate base growth over the coming years. It projects its rate base to increase at a CAGR of about 11% over the next five years, which is likely to drive its adjusted EBITDA and earnings. Furthermore, most of the company's power output is contracted, implying that Algonquin Power & Utilities will continue to generate steady cash flows. Its low-risk and high-growth business mix and predictable cash flows provide a strong underpinning for growth.

Real Matters

Real Matters bounced back sharply from its March lows and delivered exceptional returns. Lower interest rates led to a surge in refinancing volumes that drove its revenues and earnings and, in turn, its stock.

However, deceleration in growth led to a sharp selloff in Real Matters stock. Real Matters stock plunged about 42% in the last six months. I believe the strong pullback in Real Matters stock, despite

the positive secular tailwinds is an excellent [opportunity to buy](#) its stock. I expect the interest rate could stay low in 2021, providing a strong base for growth.

Real Matters expects the surge in refinancing activity to sustain, driving its revenues and earnings. Meanwhile, new customer gains, a large addressable market, and a strong blue-chip client base are likely to accelerate its growth and support the uptrend in its stock.

Absolute Software

Absolute Software stock has surged over 174% in three years. Moreover, a large addressable market and increased spending on cybersecurity threats provide a solid base for future growth. Absolute Software's recurring revenue base is growing at a decent pace. Meanwhile, its customer base remains very strong with a high retention rate.

The company has about 13,000 customers, including leading banks and fortune 500 companies. Further, its strong financial position and debt-free balance sheet are likely to support its growth.

The company's focus on developing regions, up-selling opportunities, and demand for computing devices' security and management are likely to support its revenues and EBITDA. Meanwhile, continued momentum in the enterprise & government verticals should further support its growth.

The technology company also pays a quarterly dividend of \$0.08 a share, reflecting a decent yield of 1.9%. Further, it is trading at a lower valuation multiple compared to its peers.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. 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:REAL (Real Matters Inc.)

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