Got $1,000? Buy These 3 Under-$30 Canadian Stocks for Higher Gains

Description

The Canadian equity markets have continued their upward momentum, with the **S&P/TSX Composite Index** rising 3.5% for this month. Meanwhile, the index is trading 11% higher for this year. The expectation of demand recovery and improvements in corporate earnings have driven the equity markets higher. Amid improving investors' sentiments, here are three top Canadian stocks that you can buy under $30 to earn higher gains.

Savaria

Savaria (TSX:SIS) provides accessibility solutions to elderly and physically challenged people worldwide. Despite the pandemic, the company reported an impressive performance last year, with its adjusted EBITDA increasing by 7.5%. Supported by its strong fundamentals, the company is trading 22.5% higher for this year. Meanwhile, I believe the uptrend to continue, given the increasing addressable market and its expansion initiatives.

In Canada, the aging population is rising, which could increase the demand for Savaria's solutions. Further, last month, the company completed the acquisition of Handicare Group, which sells accessibility solutions across 40 countries. Handicare had reported revenues and adjusted EBITDA of $317 million and $37 million in 2020, respectively. So, the acquisition could boost the company's financials.

Meanwhile, Savaria's management expects its adjusted EBITDA to reach approximately $100 million this year. The improving financials could boost the company's stock price. Besides, the company also rewards its share with monthly dividends. Its forward dividend yield currently stands at 2.7%.

Absolute Software

My second pick would be **Absolute Software** (TSX:ABST)(NASDAQ:ABST), which specializes in endpoint security and data risk management. Amid increased remote working and learning, the demand for the company's products and services is rising. In the recently reported second quarter, Absolute Software's top line increased by 16%, while its adjusted EBITDA increased by 29%. The introduction of new products and growth in its average recurring revenue boosted its financials.

Meanwhile, the company's management has set an optimistic 2021 guidance, with its revenue projected to grow between 12% and 14%, while adjusted EBITDA margin expected to come in between 22% and 24%. The company had also strengthened its balance sheet by raising around $69 million in October. It had cash and cash equivalents of $131.6 million at the close of December 31. So, I believe the company is well funded to support its growth initiatives. It also pays quarterly dividends, with its forward yield standing at 1.8%.

Telus

Telus (TSX:T)(NYSE:TU) is one of the three top players in the Canadian telecommunication industry. With increased digitization and shift towards remote working and learnings, the demand for telecommunication services has been rising. Despite the pandemic, the company's top line and adjusted EBITDA grew by 5.5% and 0.2% last year. It also generated free cash flows of $1.435 billion during the period.

Amid its strong cash flows and healthy liquidity position, Telus continues to expand its TELUS PureFibre network and 5G coverage. Further, it has extended its telehealthcare services to 13 clinics across Canada. These initiatives could boost the company's financials in the coming years. Meanwhile, the company's management expects its 2021 revenue and adjusted EBITDA to grow at a higher single-digit rate, generating around $1.5 billion of free cash flows. Given its healthy growth prospects, I believe Telus's financials and stock price could move up.

The company also pays quarterly dividends at a healthier yield of 4.8%. Further, the company's management also expects to increase its dividends at a rate of 7-10% through 2022.

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Date
2025/08/28
Date Created
2021/04/19
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