



## 2 Cheap Canadian Stocks Under \$45 You've Probably Never Heard Of

### Description

The stock market looks to be on fragile footing, but even if it is expensive and overdue for a correction, as most pundits on TV seem to believe, don't let anybody tell you there are zero cheap Canadian stocks out there. As the **TSX Index** broadens out, there are great low-cost Canadian stocks out there that don't require you to increase your risk profile and dig through the TSX Venture Exchange.

### Top Canadian stocks under \$45 to buy and forget

There are undervalued large- and mid-cap [dividend-growth stocks](#) under \$45 hiding in plain sight. In this piece, we'll look at two of [my favourite picks](#) that you've either never heard of or have forgotten about.

### Quebecor

Unless you reside in the province of Quebec, you probably haven't thought about adding **Quebecor** ([TSX:QBR.B](#)) stock to your portfolio. The Quebec-based telecom, best known for its Vidéotron brand, has stayed within its circle of competence within the province of Quebec over the years, and it's not about to wander out anytime soon, even the Big Three Canadian telecoms are headed in that direction.

You see, Quebecor doesn't need to provide service from the Rockies to the Bay of Fundy. The company is quite content with staying within its home province of Quebec, where the firm has a brand power and a deep penetration in areas of Quebec that would be costly for most other telecoms to expand. While Quebecor faces competition like the Big Three, I believe it has a durable competitive edge from not having spread itself too thin.

Like its Big Three counterparts, Quebecor is investing heavily in the next generation of telecom tech. It's a costly rollout, but it'll pay massive dividends for many years to come. The company commands impressive ROIC (return on invested capital) numbers and is likely in a spot to continue outperforming its low-growth telecom peers in the Big Three.

The stock trades at a ridiculous 7.8 times EV/EBITDA, which I think is far too low given the calibre of business you're getting. With an 11.3% ROIC over the trailing 12 months (TTM), Quebecor is one of the more operationally efficient telecoms out there, and I think it's a buy with the stock fresh off a modest 7% dip. The dividend yield of 3.3% is on the lower end, but what the firm lacks in yield, I think it more than makes up for in forward-looking earnings growth.

## Badger Daylighting

**Badger Daylighting** (TSX:BAD) is another great Canadian company that doesn't get the respect it rightfully deserves. The company fought off short-sellers a few years ago and is now in a spot to make a move towards all-time highs ahead of what could be an economic boom for the ages.

For those unfamiliar with the company, it's a mobile soil excavator whose services are likely to be in high demand during times of economic prosperity. Given that President Joe Biden is investing heavily in infrastructure and the potentially explosive economic expansion that's underway, I think Badger is a cyclical that could be poised to pop in a big way over the next two to three years.

As a mid-cap with a mere \$1.46 billion market cap, Badger has quietly surged over 100% off its March 2020 lows. The momentum has been incredible, but I think it's just getting started, as the economy takes it into high gear.

The stock sports a modest dividend yielding 1.5%. Amid the cyclical upswing, I wouldn't be surprised to see the payout grow at an above-average rate. The stock trades at just 2.6 times sales and 4.4 times book. So, if you're looking for a lesser-known cyclical with upside and a nice dividend, look no further than Badger.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
2. TSX:QBR.B (Quebecor Inc.)

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