



3 Top Canadian Stocks to Buy Under \$10 Today

Description

Equity markets in Canada continue to gain momentum this year after a highly volatile 2020. While stock markets are trading near record highs, there are a few small-cap stocks flying under the radar that you can consider right now. Small-cap stocks carry certain risks but also have the ability to outpace the broader market over time.

You need to identify companies with secular tailwinds that are part of expanding markets to derive outsized gains. Here, we look at three such Canadian stocks priced below \$10 that should move higher in 2021 and beyond.

Goodfood Market Corp.

A leading online grocery company in Canada, **GoodFood** ([TSX:FOOD](#)) delivers fresh meal solutions and grocery items. The company went public in April 2015 and has more than doubled in market value. However, it's also trading 46% below its record high.

Valued at a market cap of \$576 million. Goodfood stock is trading at a forward price-to-sales multiple of 1.5. Analysts tracking the stock expect sales to rise by 34% year over year to \$382 million in 2021 and by 18% to \$452 million in 2022. Bay Street has a 12-month average target price of \$12.44 for Goodfood stock, which is 59% above its current trading price.

The company continues to grow its subscriber base as it has focused on improving delivery capabilities, and expanded its product selection as well as basket size. The COVID-19 pandemic accelerated demand for Goodfood products and it [reported quarterly revenue](#) of over \$100 million for the first time ever in Q4 of 2020.

WELL Health Technologies

Another company that has grown massively over the last year is **WELL Health Technologies** ([TSX:WELL](#)). This digital health entity has grown via acquisitions that have allowed it to increase sales

from \$5.89 million in 2018 to \$50.2 million in 2020. Analysts tracking the stock expect WELL Health sales to rise by a massive 353% to \$227.65 million in 2021 and by 44.3% to \$328 million in 2022.

This exponential rise in top-line estimates can be attributed to WELL Health's recent acquisition of CRH Medical, a company that generates around US\$120 million in annual sales. The CRH Medical acquisition will also help WELL Health gain traction south of the border.

WELL Health is valued at a market cap of \$1.16 billion, which suggests it is trading at a reasonable forward price to sales multiple 5.11. The stock is trading 24% below its record high and analysts have a 12-month average target price of \$11.66 which is 66% above its current trading price.

Drone Delivery Canada

The final stock on the list is **Drone Delivery Canada** ([TSXV:FLT](#)), a company that designs and develops commercial drone-based logistics systems in Canada. It offers logistics solutions that include proprietary software systems as well as hardware and professional services for the cargo delivery process.

Analysts tracking the stock [expect sales to rise](#) from just 265,000 in 2020 to \$6.6 million in 2021. Sales are also forecast to rise by 318% to \$27.55 million in 2022. This means Drone Delivery Canada stock is valued at a forward price to 2022 sales multiple of 10.5 which is steep.

The company aims to serve customers across industries including retail, e-commerce, mining, healthcare, and energy.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. TSX:WELL (WELL Health Technologies Corp.)

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