3 Cheap (UNDER $10) Canadian Stocks to Buy Right Now

Description

Despite the stellar run-up in most stocks listed on the **TSX Index**, a few are still trading at lower prices. While these stocks are trading cheaper, their strong fundamentals, continued demand, and growth initiatives suggest that they have a long runway for growth.

I believe the increased spending on digital platforms, recovery in consumer demand, and positive secular industry trends provide a solid underpinning for future growth in these TSX stocks. So, let's dig deeper into three such Canadian companies that are trading cheaper (under $10) but have the potential to make their investors very rich with superior returns.

Well Health

WELL Health Technologies (TSX:WELL) stock went through the roof and delivered solid returns in 2020. Robust demand for its products, strategic acquisitions, and higher gross profits drove its stock higher. Notably, WELL Health stock is up about 140% in one year. Moreover, it has jumped nearly 1,239% in three years and outshined the benchmark index by a significant margin.

Its revenues soared 150% during the most recent quarter, reflecting a 345% growth in its software and services revenues. Moreover, it delivered positive adjusted EBITDA in two quarters in a row.

I believe the demand for WELL Health's products and services to remain elevated. Meanwhile, its strong acquisition pipeline, growing scale, and global expansion of the electronic medical records business could continue to drive its financials and lift its stock higher. Furthermore, the continued momentum in the domestic business, expansion in the high-growth markets, optimization of costs, digitization of clinical assets, and growing operating cash flows suggest further upside in its stock. Its stock has witnessed a healthy pullback and looks attractive at current levels.

Goodfood Market

Goodfood Market (TSX:FOOD) is trading cheap but offers high growth. Notably, the stock has consistently outperformed the **TSX 60 Index** by a wide margin in the last three years and made its investors very rich. The rising demand for online grocery services and its robust delivery capabilities drove its financials and, in turn, its stock price.

Goodfood Market's top line grew at an impressive double-digit rate of 71% in the most recent quarter on the back of a 30% growth in its customer base. The continued expansion of its product offerings, the launch of same-day delivery services, targeted marketing and promotions, and cross-selling efforts augur well for future growth. Moreover, its growing delivery capabilities and increased adoption of online grocery services position it well to capitalize on favourable industry trends.

I am bullish on Goodfood Market and expect it to deliver stellar returns in the long term. Notably, it has declined over 39% this year, providing an excellent opportunity for investors to go long.

Kinross Gold

Kinross Gold (TSX:K)(NYSE:KGC) witnessed a sharp pullback, as gold prices lost steam on the reopening of the economy. However, I see the correction in Kinross Gold's stock price as an excellent opportunity to buy its stock at an attractive valuation.

Notably, Kinross Gold's next 12-month EV/EBITDA multiple of 5.1 is well below the peers and reflects a discount of about 26%. Besides trading cheaper, Kinross Gold also offers a decent dividend yield of 1.6%.

I believe Kinross Gold's focus on growing its production volumes and lowering its cost base could give a significant boost to its margins and, in turn, its earnings. Further, its solid balance sheet and high exposure to gold bode well for future growth. Thanks to its high-quality earnings and reliable cash flows, Kinross Gold could continue to enhance shareholders' returns through consistent dividend payments.

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TICKERS GLOBAL

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2. TSX:FOOD (Goodfood Market)
3. TSX:K (Kinross Gold Corporation)
4. TSX:WELL (WELL Health Technologies Corp.)

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