4 Cheap (Under-$20), High-Growth Canadian Stocks to Buy Today

Description

Buying stocks solely based on their lower price could prove to be an expensive mistake. However, plenty of stocks listed on the TSX Index are trading cheap and have solid fundamentals to back their growth. We'll focus on four Canadian stocks that are trading at a lower dollar value (under $20) and have solid, long-term growth potential.

WELL Health

Speaking of cheap stocks offering high growth, shares of **WELL Health Technologies** (TSX:WELL) crop up in my mind first. Notably, its stock went through the roof and jumped over 150% in one year. Further, it's up about 1,187% in three years, thanks to its exceptional financial performance over the past several quarters. The company reported a 150% growth in its top line during the most recent quarter, reflecting a 345% growth in its software and services revenues. Furthermore, it continued to report positive adjusted EBITDA, which is encouraging.

I believe WELL Health could continue to deliver robust financial and operating performance that could drive its stock higher. The company's growing market share, strong acquisition pipeline, digitization of clinical assets, and cost-control initiatives bode well for future growth. Meanwhile, its stock corrected nearly 26% in three months, providing an excellent buying opportunity.

Kinross Gold

I have said it before that I am bullish on **Kinross Gold's** (TSX:K)(NYSE:KGC) long-term prospects. Further, the stock looks appealing, as inflation is back in the news. Also, its solid fundamentals, margin expansion, and low valuation support my bullish view. Kinross Gold delivered a 12% year-over-year growth in the top line during the most recent quarter. Meanwhile, its adjusted earnings jumped 51%.

I believe the company's higher production volumes and lower costs position it well to deliver strong profits and cash flows in the coming years. Also, its strong balance sheet and higher exposure to gold augur well for future growth. Meanwhile, Kinross Gold's EV/EBITDA multiple is significantly below peers, while it offers a decent dividend yield of about 1.5%.

Cineplex

Cineplex (TSX:CGX) continues to deal with many challenges, including lower demand, reduced operations, and higher net cash burn. However, I see these challenges as transitory and expect the company to deliver solid returns in the long run.

I believe the ongoing vaccination could help recover demand and give a major boost to its financials. Its net cash burn could decline, while capacity is likely to show gradual improvement. Furthermore, I expect to see significant growth in its stock once its operations return to normalcy. Notably, Cineplex stock has witnessed a string of buying in the recent past. However, it is still trading at a massive discount from its pre-COVID levels and is an attractive long-term bet.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is another solid long-term bet to generate steady returns amid volatility and inflation concerns. The power producer has consistently delivered higher returns in the past and uninterruptedly increased its dividends at a CAGR of 10% in 11 years.

Thanks to the double-digit growth in its rate base, Algonquin Power & Utilities expects its adjusted EBITDA and earnings to grow at a decent pace over the next five years, providing a solid foundation for future dividend growth. I believe its low-risk business, solid balance sheet, rate base growth, long-term contracts, and opportunities in renewable power business position it well to deliver double-digit total shareholder returns.

CATEGORY

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2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:CGX (Cineplex Inc.)
5. TSX:K (Kinross Gold Corporation)
6. TSX:WELL (WELL Health Technologies Corp.)

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