2 Affordable TSX Stocks With Decent Growth Potential

Description

Amazing growth stocks are almost always undervalued. The keyword here is *always.* Market crashes and isolated factors have the potential to bring down even the mightiest of stocks, sometimes to very enticing valuations. But while they might become *less expensive* compared to their typical valuation, relatively few become truly "affordable," even by the relative standard.

And if affordability is your prime objective, you might have to set your eyes a bit lower. Rather than waiting for overpowered growth stocks to come down in valuation, you might consider buying affordable stocks that offer decent growth potential. Given enough time, they might rival or even outpace the highly coveted (and often volatile) growth stocks.

A gold mining company

While gold mining stocks aren't exactly the go-to growth bets, especially in a stable market, **Karora Resources** (TSX:KRR) might still be worth considering, especially for its decent five-year growth. Karora is based in Toronto but operates in Western Canada, where both of its fully-owned gold mines are. Higginsville, one of the two mines that Karora works on, has over 96% of its proven reserves.

One major reason to consider Karora resources is its strong financials. The company has been growing its revenue consistently for the past six quarters. Another reason is the growth potential the company offers. If it can sustain its five-year compound annual growth rate (CAGR) of 17.5% for one or two more decades, it can be a powerful addition to your investment portfolio.

The company is currently trading at a price-to-earnings of seven and a price-to-book of three times.

A media company

Thomson Reuters (TSX:TRI)(NYSE:TRI) offers a decent bit of growth potential for a company that's trading at a price-to-earnings of 7.8. It has a 10-year CAGR of 15.7%, which might not be explosive, but it's enough to build you a decent-sized nest egg, given enough time. TRI's is less about the pace of its growth and more about the consistency.

Another major factor in TRI's favour is that it's one of the 10 oldest Dividend Aristocrats in the country and has been growing its payouts for 27 consecutive years. While the 1.37% yield might not be enticing enough, if you are planning on holding on to the stock long term, chances your payouts will grow to a decent size are quite high.

Even though it's dubbed a media company, it's not isolated to that one sector. It also offers solutions to legal and accounting industries.

Foolish takeaway

A modest amount of growth with relatively safe dividend payouts, available for a decent price, is an investment package worth considering. The potential for slow but consistent growth might be significantly more promising (and might provide more peace of mind) than harnessing the power of feisty growth stocks, especially if you are planning on holding your stake for a relatively long time.

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