



3 of the Best Under-\$30 Canadian Stocks to Buy Right Now

Description

For investors with a limited amount of capital, lower-priced stocks seem like a good bet. However, you still need to identify quality companies that are trading at a discount and that are poised to deliver outsized returns over the long run.

We'll look at three such Canadian stocks that are trading below \$30 for TSX investors.

Algonquin Power & Utilities

The first stock on my list is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), a company that derives two-thirds of its EBITDA from regulated utilities and the rest from renewable energy. AQN stock is trading at a price of \$19.46, indicating a forward yield of 4.4% given its dividend per share of \$0.84. AQN has increased its dividend at an annual rate of 7% in the last five years, and the stock has returned 253% since June 2011.

In the first quarter of this year, the company reported revenue of \$634.5 million, an increase of 36% year over year. Its adjusted EBITDA rose 17% to \$283 million while adjusted earnings soared 21% to \$124.5 million in this period.

Algonquin is well poised to increase its dividends going forward, as it aims to expand its base of cash-generating assets, driving earnings higher in the process.

Northwest Healthcare Properties REIT

Northwest Healthcare Properties ([TSX:NWH.UN](#)) is an open-ended real estate investment trust. It provides investors access to a portfolio of quality healthcare real estate infrastructure in Canada and other international markets such as Brazil, Europe, Australia, and New Zealand. The company has around 200 income-generating properties, and its portfolio of medical office buildings is characterized by long-term indexed leases and stable occupancies.

In Q1, Northwest Healthcare's sales stood at \$92.6 million and AFFO per unit rose by 0.5% to \$0.21. The company attributed its AFFO rise to accretive acquisitions, increased management fees, and same-property operating income growth. Its total assets under management rose 16.2% year over year to \$7.7 billion.

Northwest Healthcare stock is trading at \$13 per share and provides a dividend yield of a tasty 6.1%.

HEXO

While the previous two stocks are solid companies that generate a stable stream of cash flows, allowing them to pay investors a dividend, **HEXO** ([TSX:HEXO](#))(NYSE:HEXO) is a high-risk bet. HEXO stock is down 82% from record highs, making it [the perfect contrarian bet](#). Valued at a market cap of \$1.17 billion, investors have a 12-month average target price of \$9.47 for HEXO stock, which is 18% above its current price. The stock has already gained 72% year to date.

HEXO has aggressively acquired companies this year, which should allow it to increase market share in Canada's recreational marijuana industry. In May, it acquired Redecan for \$925 million. Redecan is, in fact, Canada's largest privately owned [licensed marijuana producer](#). Earlier this year, HEXO also acquired Zenabis Global for \$235 million. Zenabis has a strong presence in multiple European markets. HEXO also acquired 48thNorth Cannabis for \$41 million in May 2021.

In the last 12 months, HEXO has reported sales of \$111.6 million. After the above-mentioned acquisitions are closed, the company is on track to generate over \$300 million in annual sales.

CATEGORY

1. Cannabis Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NASDAQ:HEXO (HEXO Corp.)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:HEXO (HEXO Corp.)
5. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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