3 Under-$30 Stocks to Buy Right Now!

Description

Investors with a small amount of capital can look to purchase lower-priced stocks that have the potential to outperform the broader markets going ahead. Here, I have identified three TSX stocks priced under $30 that you can buy right now.

WELL Health Technologies

The first company on the list is **WELL Health Technologies** (TSX:WELL), a stock that has already crushed the broader markets in the last five years. WELL Health stock has gained 6,600% since it went public back in April 2016.

This company has increased its top line at a stellar pace over the years due to a rapidly expanding addressable market as well as its focus on accretive acquisitions. WELL Health sales stood at $5.9 million in 2018 and rose to $50.24 million in 2020. Bay Street analysts expect sales to rise to $265 million in 2021 and $424 million in 2022.

WELL Health recently completed its acquisition of MyHealth Partners, which is one of the largest primary care, specialty care, telehealth, and diagnostic health service providers in Ontario. MyHealth owns and operates 48 locations in the province.

WELL Health is now the largest owner-operator of outpatient clinics in Canada with a portfolio of 74 combined clinics, following this acquisition.

Algonquin Power & Utilities

One of the top dividend-growth stocks on the TSX is **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN). Due to its diversified base of cash-generating assets, AQN has managed to increase its dividends at an annual rate of 10% in the last 10 years. Further, the stock has also returned 436% since it went public in October 2009.

In the first quarter of 2021, Algonquin's sales were up 36% year over year and adjusted EBITDA grew 17% year over year, despite extreme weather conditions in Texas.

The company aims to allocate more than $9 billion in capital expenditures through 2025, which should result in robust cash flow generation, driving dividend payouts higher. AQN stock already provides investors with a forward yield of 4.5%.

Algonquin Power derives two-thirds of its cash flows from the recession-proof utility business, while the rest is generated from the renewable sector, which is growing at a fast pace.

Air Canada

Air Canada (TSX:AC) is the riskiest option among the three stocks discussed here. The airline sector is a capital-intensive one and Air Canada has burnt massive amounts of cash trying to stay afloat during COVID-19. However, Air Canada stock was almost one of the top-performing stocks in the decade prior to the pandemic when it rose by an astonishing 3,600%.

Air Canada may stand to benefit from pent-up travel demand in a post-COVID-19 world, which should allow it to improve profit margins as well.

In 2019, Air Canada reported record sales of $19.13 billion and an operating income of $1.65 billion. Comparatively in the last four quarters, its sales have slumped to $2.84 billion, while it reported an operating loss of more than $4 billion. Air Canada ended Q1 with a cash balance of $6 billion and $12.75 billion in debt. Its operating cash flow stood at a negative $3.22 billion.

Investors are hoping for this beaten-down sector to stage a comeback, as the rollout of vaccinations gains pace in Canada and other global economies.

CATEGORY

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AC (Air Canada)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:WELL (WELL Health Technologies Corp.)

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