3 Top TSX Stocks Priced Under $50 to Buy Now

Description

While several **TSX** stocks appreciated significantly on account of solid buying over the past year, a few continue to trade cheap and offer high growth. Here we'll focus on three such stocks that are priced under $50. Notably, these companies have multiple growth catalysts that could drive their financials, in turn, their stock prices.

Dye & Durham

I have been bullish on **Dye & Durham** (TSX:DND) stock (ever since it was listed on the exchange) and continue to maintain an optimistic outlook thanks to its ability to grow its revenue and adjusted EBITDA at a breakneck pace. Besides, its growing global presence, large and diverse customer base, lower churn rate, and long-term contracts with top 100 customer accounts indicate that the momentum in its business is likely to sustain.

Furthermore, its strong acquisition pipeline could continue to accelerate its growth by broadening its customer base and enhancing its footprint in high-growth markets. Overall, the company is growing rapidly, is expected to deliver robust adjusted EBITDA, and generate strong flows, which will likely drive its stock higher in the coming years.

Telus

Telus (TSX:T)(NYSE:TU) has consistently delivered strong financial and operating performance and offers both growth and income. Its strong revenues, acquisitions, subscriber growth, and expanded services provide a solid foundation for future growth.

Furthermore, the ongoing rollout of 5G, investments in advanced broadband technologies like TELUS PureFibre, and diversified growth assets, including TELUS Health and TELUS International, augur well for future growth.

I believe strong revenue growth and cost efficiencies are likely to drive its profitability and cash flows at a healthy pace in the future. Telus projects 8-10% growth in its top-line for 2021.

Meanwhile, its adjusted EBITDA could increase by 6-8%. Notably, the company has returned a significant amount of cash to its shareholders through dividend and share buybacks.

Telus pays a quarterly dividend of $0.316 a share, reflecting a solid yield of 4.6%. Moreover, its payout ratio is sustainable in the long run.

Algonquin Power & Utilities

Share price appreciation and growing dividends make **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN) a top stock to own under $50. Its regulated utility assets generate stable and predictable earnings and drive its dividend payments. Meanwhile, strategic acquisitions and its diverse portfolio of renewable power generation facilities provide a strong opportunity for growth.

I believe its rate solid rate base growth, long-term contractual arrangements, strong balance sheet, and conservative business mix positions it well to deliver solid earnings and free cash flows. The company expects its rate base to increase at a double-digit rate in the future years, which will likely give a solid boost to its profitability and stock price.

Moreover, Algonquin Power & Utilities could continue to enhance its investors' returns through increased dividend payments. It has uninterruptedly raised dividends at a compound annual growth rate (CAGR) of 10% since 2010 and offers a solid yield of 4.3%.

Bottom line

These companies have consistently grown their revenue at a healthy pace and delivered solid returns. Looking ahead, I expect the momentum in their business to continue, which could support the uptrend in their stock prices and drive dividend payments.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:DND (Dye & Durham Limited)
5. TSX:T (TELUS)

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snahata