



4 Cheap Canadian Stocks to Buy Under \$20 Today

Description

It has been a great year for Canadian stocks! The **TSX Index** is trading consistently up over 20,000 points. Many Canadian stocks have benefited out of the COVID-19 pandemic. Given the somewhat elevated stock market valuation, one may wonder if there is still any [value in the market](#) today. Well, here are four cheap Canadian stocks trading under \$20 that look attractive both in the short term and the long term.

Absolute Software: An under-the-radar Canadian tech stock

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) is an under-the-radar Canadian technology stock. Today, it trades around \$17 per share. It trades with an enterprise value (EV)-to-revenue of around six times and an EV-to-EBITDA of 24 times. Certainly, it is not cheap compared to the market. Yet relative to software-as-a-service peers in Canada and the U.S., it is fairly attractive.

It provides cybersecurity and hardware tracking solutions for a broad range of businesses and industries. In a time where remote work is becoming increasingly prevalent, companies need software to monitor and track their devices and hardware assets. Absolute helps fill this niche.

This Canadian stock has high recurring revenues, rising EBITDA margins, growing free cash flows, and the potential (according to analysts) to nearly double EBITDA by next year. For [a steady growth stock](#) with some torque, Absolute looks interesting today.

IBI Group

A Canadian infrastructure stock with a technology slant is **IBI Group** ([TSX:IBG](#)). Today, this stock trades around \$10 per share. It has a forward price-to-earnings (P/E) ratio of only 13 times, which is almost half that of its larger engineering/design peers. This is a great business because IBI provides only design and consulting services. It has zero construction risk.

This Canadian stock should benefit from rising infrastructure spending out of the pandemic. Likewise, it

fits into ESG trends. It has a growing intelligence business that helps municipalities and building/infrastructure operators more efficiently manage their assets.

Consequently, it has a growing base of recurring revenues. This company has an improving balance sheet, a growing backlog, and a solid runway of growth in 2021 and beyond.

Superior Plus: A Canadian dividend stock consolidating in the U.S.

While there is a lot of talk about growing natural gas demand in North America, propane is often forgotten. Yet millions across Canada and the U.S. rely on propane to heat their houses and businesses. **Superior Plus** ([TSX:SPB](#)) operates a unique niche that distributes and services propane across Canada and the U.S.

Just last year, Superior Plus moved forward on a strategy to consolidate the propane distribution industry. Since 2019, it has acquired 15 propane businesses, making it the third-largest distributor in North America.

While the stock has had a strong run in 2021, it only trades at \$15.70 per share. Compared to energy midstream/pipeline peers, this stock is still pretty cheap, and it pays a great 4.6% dividend today!

Dream Industrial REIT

For another attractive Canadian dividend stock, **Dream Industrial REIT** ([TSX:DIR.UN](#)) still looks attractive now. DIR manages a portfolio of multi-tenanted industrial, warehousing, and distribution properties across Canada, the U.S., and Europe. It recently spun off its U.S. properties into a joint venture (JV) at [a very attractive premium](#).

It is using the JV proceeds to focus on Europe, where interest rates are incredibly low, e-commerce is in the early innings, and valuations are slightly more attractive. DIR has strong management expertise in this market from former Dream ventures in Europe.

The European expansion could produce elevated cash flow per share growth for the coming years. This Canadian stock pays a 4.3% dividend right now, and like the above stocks, it trades at a decent discount to peers. The combined total-return profile looks pretty attractive for this solid real estate stock.

CATEGORY

1. Investing
2. Stocks for Beginners

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)

2. TSX:ABST (Absolute Software)
3. TSX:DIR.UN (Dream Industrial REIT)
4. TSX:IBG (Ibi Group)
5. TSX:SPB (Superior Plus Corp.)

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Date

2025/07/21

Date Created

2021/07/29

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