



5 Top Canadian Stocks to Buy Under \$20 in August 2021

Description

Many Canadian stocks are hitting all-time records. However, there still could be upside ahead for Canadian dividend and [value stocks](#). Interest rates are at all-time lows. Owning quality dividend stocks is, in many aspects, the best (and perhaps only) way for Canadians to earn consistent income streams. Here are five top Canadian stocks trading under \$20 per share. They all [pay dividends](#) and could still enjoy upside in 2021 and beyond.

Algonquin Power: A top Canadian utility stock

Algonquin Power ([TSX:AQN](#))([NYSE:AQN](#)) is a great Canadian stock if you want stability, defence, and upside from ESG trends. This stock has pulled back 7% from all-time highs set in January, but it recently rebounded to just below \$20 per share today.

Algonquin operates a portfolio of utility businesses across North America. These are diversified in water, power, and natural gas. It utilizes cash flows to fund its growing renewable power portfolio across the world.

The company expects to grow earnings per share by +10% per annum for the next few years. This Canadian stock pays a 4.3% dividend, but it will likely grow by the same rate as earnings.

Superior Plus

A lesser-known Canadian value stock is **Superior Plus** ([TSX:SPB](#)). Unlike Algonquin, its stock has had a great 28% run up in 2021. Yet trading at \$15.68 per share with a dividend yield of 4.6%, it still looks fairly attractive here.

Through a very active acquisition strategy, Superior has been rising to become one of the largest distributors of propane in Canada and the United States. Since 2019, the company has acquired 14 distributors worth over \$600 million. It hopes to grow EBITDA by a CAGR of at least 10% for the next five years.

Other than variable weather factors, propane demand is quite stable. Hence, Superior earns reliable annual cash flows, and its dividend is very well covered.

BSR REIT

Real estate is a sweet-spot sector to own at the moment. Inflation is rising, so rents are also rising. Yet, interest rates still remain historically low. It is a perfect recipe for steady cash flow growth for many Canadian real estate investment trust (REIT) stocks. One I particularly like is **BSR REIT** ([TSX:HOM.U](#)).

It operates [a high-quality, multi-residential portfolio](#) in the U.S. sunbelt. Its properties are well located in some of the highest-growth jurisdictions in America. As a result, secular economic trends should support strong rental growth and high occupancy for years ahead.

At US\$14 per share, this Canadian stock trades at a discount to peers in the United States. The REIT pays an attractive 3.6% dividend and still has some valuation upside from here.

Sylogist

Sylogist ([TSX:SYZ](#)) stock trades just under \$13 per share today. For a Canadian tech stock, it pays a very attractive 3.9% dividend. It provides enterprise planning solutions for schools, government entities, and charitable organizations.

Once adopted, its software is critical for operations. Consequently, Sylogist garners very predictable streams of cash flow. 80% of revenues are recurring and it consistently garners +50% EBITDA margins.

The company has recently added a new management team who are looking to accelerate its growth plan. It has \$22 million of cash and around \$100 million of dry powder, so it is primed for acquisition growth to come.

Absolute Software: An up-and-coming Canadian tech stock

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) is another Canadian technology stocks that pays a decent dividend. Today, it trades for \$17 per share and yields a 1.87% dividend. It provides security, data-risk, and asset management solutions for businesses across the world.

With many people working remotely or in a hybrid scenario, data, network, and hardware management is increasingly important. This is especially true given the rising rate of cyberattacks and security breaches across the world.

Absolute just made a large \$340 million acquisition. It may not be immediately accretive, but it will

increase scale, add new markets, and enhance its overall profit margins. This Canadian stock has an exciting future ahead.

CATEGORY

1. Investing
2. Stocks for Beginners

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1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. TSX:ABST (Absolute Software)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:HOM.U (BSR Real Estate Investment Trust)
6. TSX:SPB (Superior Plus Corp.)
7. TSX:SYZ (Sylogist Ltd.)

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