2 Growth Stocks You Can Acquire for Less Than $10

Description

The TSX lost momentum to start the second week of September 2021, although the index remains in record territory. If you're penny-pinching but want to invest, there are growth stocks you can purchase for less than $10.

Nuvista Energy (TSX:NVA) and **Medical Facilities** (TSX:DR) have delivered more than 100% returns in the last 12 months. Likewise, their share prices are absurdly low, despite the enormous gains. It would be wise to let your idle cash appreciate instead of losing value due to rising inflation.

Breakout in 2021

The energy sector underperformed in 2020 such that share prices of most constituents sunk to rock bottom. Big and small industry players suffered tremendously and posted huge losses. Nuvista Energy, however, turned things around in 2021. The $898.23 million oil and natural gas company is hopeful it could maximize further the return of capital to shareholders from here on out.

In the first half of 2021, management reported a 74% increase in revenue versus the same period in 2020. It resulted in a net income of $4.44 million compared to the $869.1 million net loss from a year ago. The energy stock has exploded as a result. At $3.97 per share, Nuvista investors enjoy a 322% year-to-date gain.

Had you invested $1,000 on December 31, 2020, your money would be worth $4,223.40 on September 10, 2021. The re-engagement of its rolling hedging program provided downside protection and helped Nuvista maintain an upside for price growth.

Nuvista's top-quality assets are its core strengths. Because the required facility infrastructure is in place, management is confident a returns-focused profitable growth is on the horizon. Also, the company's business plan aims to maximize free adjusted funds flow and reduce debts while growing through 2021 to 2023.

The growth estimates for Nuvista Energy in 2021 and 2022 are 128.4% and 132%, respectively.

Meanwhile, management has successfully reduced its annual greenhouse gas emission (GHG) intensity by over 50% from 2012 to 2020. The target is to reduce emission intensity further (20%) by 2025 from last year's baseline.

Unique business model and case mix

Medical Facilities's share price of $9.75 is 360% higher than its COVID low of $2.12 on March 18, 2020. As of September 10, 2021, the healthcare stock is up 41% and pays a decent 2.84% dividend. The business is well positioned for growth, as the company adds more facilities to the existing portfolio of assets.

The $303.29 million Toronto-based firm owns and operates best-rated hospitals and high-quality surgical facilities in the United States. Its business model is unique, as physicians are investors themselves. The case mix in each hospital is likewise unique due to the function of physicians' clinical specialties.

In the first half of 2021, facility service revenue increased 19% to US$191.5 million versus the same period in 2020. The bottom line, or net income, rose to US$22.16 million — growth of 9% year over year. As of June 30, 2021, Medical Facilities's controlling interests are in four specialty hospitals and six ambulatory surgery centres in America.

According to management, Medical Facilities will pursue continued organic growth through acquisitions and development of new facilities. However, the general state of the U.S. economy and changes in the healthcare industry could impact growth.

Exponential growth

Canadian investors have two cheap but profitable investment opportunities in Nuvista Energy and Medical Facilities. Both companies are well positioned for exponential business growth.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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