4 Top Canadian Mid-Cap Stocks to Buy Right Now

Description

Key points:

- Mid-cap stocks will have their market capitalization falling between $2 billion and $10 billion.
- These companies offer higher-growth prospects than large-cap stocks and are less risky than small-cap stocks, so investors can enjoy the best of both worlds.
- Meanwhile, here are four top Canadian mid-cap stocks that you can buy right now to earn superior returns.

BlackBerry

First on my list would be **BlackBerry** (TSX:BB)(NYSE:BB), which provides cybersecurity and automotive software solutions. Amid the increased adoption of online shopping and growing remote learnings and working culture, the spending on cybersecurity is rising, benefiting BlackBerry. Meanwhile, the company is launching innovative products and enhancing its current products to shield its clients from various threats. These new products could aid in expanding its market share and drive its financials.

Notably, BlackBerry has a significant presence in the automotive sector, with its QNX platform running in 195 million vehicles. The company's new product launches, such as IVY and next-generation automotive cockpits offer healthy growth prospects. Also, through its design wins with several prominent EV (electric vehicle) players, the company is also strengthening its position in the EV market. So, given its multiple growth drivers, I am bullish on BlackBerry.

Cargojet

Cargojet (TSX:CJT), an air cargo company that connects 15 Canadian cities, is my second pick. Amid the growth in e-commerce due to the increased adoption of online shopping, the demand for the company's services is rising. Meanwhile, the company is planning to add more aircraft and new routes to meet the rising demand. The company has signed a deal to acquire three 767 aircraft, which will be joining its fleet next year.

Cargojet earns around 75% of revenue from long-term contracts, which provide stability to its financials. With the company transporting about 90% of Canada's overnight air cargo, it has a significant competitive advantage over its peers. Despite its healthy growth prospects, the company trades at an attractive forward price-to-earnings multiple of 29.2 and pays a quarterly dividend of $0.26 per share. Meanwhile, Cargojet is trading over 17% lower this year, providing an excellent entry point for long-term investors.

Altagas

Third on my list would be **Altagas** (TSX:ALA), which operates several midstream and utility assets, serving around 1.6 million customers. It earns about 86% of its adjusted EBITDA from low-risk, regulated, or contracted assets, thus stabilizing its financials. The company's management expects to grow its rate base at a compound annual growth rate (CAGR) of 8% over the next four years through disciplined investments across its network. Also, the growing customer base, favourable rate revisions, rising energy demand, and falling operating costs could drive its financials.

Supported by its stable and predictable cash flows, AltaGas has been paying monthly dividends uninterruptedly since 2010. Currently, it pays a monthly dividend of $0.0833, with its forward yield standing at 3.91%. Meanwhile, the company also trades at an attractive forward price-to-earnings multiple of 16.9. So, given its steady cash flows, stable growth prospects, and healthy dividend yield, I am bullish on AltaGas.

TransAlta Renewable

Amid an increased transition toward clean energy, I have selected **TransAlta Renewables** (TSX:RNW) as my final pick. In the recently reported third quarter, its top-line and adjusted EBITDA grew by 20% and 6%, respectively. Meanwhile, the uptrend in its financials could continue, given the favourable business environment, construction of new assets, and acquisitions.

In this quarter, TransAlta Renewables acquired previously announced solar facilities in North Carolina, adding 122 megawatts of power production capabilities. It also completed the construction of Windrise and expects to begin its operations soon. Further, the company's 48-megawatt Northern Goldfields Solar project could become operational in the second half of 2022.

The company also pays monthly dividends, with its forward yield standing at a juicy 5.01%. As such, I believe that TransAlta Renewable could be an excellent buy right now.

CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)

2. TSX:ALA (AltaGas Ltd.)
3. TSX:BB (BlackBerry)
4. TSX:CJT (Cargojet Inc.)
5. TSX:RNW (TransAlta Renewables)

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