3 Cheap (Under-$20) Stocks to Buy Now

Description

Several **TSX** stocks have corrected in 2021, losing a substantial portion of their value. Valuation concerns, tough comparisons, and an expected moderation in growth rate can be attributed to this decline.

The pullback in price has made these stocks cheap, presenting a unique opportunity for investors to accumulate some of the top Canadian stocks at current levels. Here's my list of three cheap stocks that are trading under $20 and have a solid runway for growth.

Absolute Software

Absolute Software (TSX:ABST)(NASDAQ:ABST) has corrected about 55% from its peak. Moreover, it has declined nearly 25% on a year-to-date basis. The selling in Absolute Software stock reflects investors' fear that its solid financial performance is tied to the pandemic, and its growth could decelerate in the post-pandemic world.

There is no denying that Absolute Software benefitted from the work-from-anywhere trend amid the COVID-19 pandemic. However, the company could continue to deliver strong financials, even in the post-pandemic era. My bullish outlook is based on Absolute Software's ability to grow the addressable market through product innovation and channel and geographic expansion.

Furthermore, its strong management team, strategic capital allocation, cross-selling ability, and higher net dollar retention rate augur well for growth. Absolute Software stock is trading at a forward EV/sales multiple of 3.3, which is lower than its historical average and peers.

WELL Health

Like Absolute Software stock, **WELL Health Technologies** (TSX:WELL) witnessed strong selling in 2021 and has corrected about 31% year to date. WELL is digitizing the healthcare sector and saw strong demand amid the COVID-19 pandemic. I believe the use of technology in the healthcare segment could continue to accelerate, and WELL, with its omnichannel patient services offerings, remains well positioned to capitalize on the demand.

WELL's extensive network of outpatient medical clinics and multi-disciplinary telehealth offering augur well for growth. It is rapidly expanding and acquiring clinical and digital healthcare assets, which will likely drive its growth. The company recently announced that its organic growth in the virtual services business remains strong and recorded more than 50% growth on a year-over-year basis.

WELL has delivered positive adjusted EBITDA in the past four quarters and could continue to deliver strong adjusted EBITDA in the coming years. Its forward EV/sales multiple is at a multi-year low, making it an attractive investment at current levels.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB) stock is up about 39% this year. However, it has declined nearly 67% from its 52-week high, presenting a solid opportunity to buy the shares of this high-growth company. The ongoing spending on cybersecurity and digital transformation provide a multi-year growth opportunity for BlackBerry stock.

Strong billings and product innovation continue to fuel growth in its cybersecurity business. Moreover, BlackBerry continues to acquire customers, which augurs well for growth. Overall, its large and growing addressable market and strong footprint in the electric vehicle segment position it well to deliver strong financials.

BlackBerry's strong competitive positioning in the IoT market, strong customer base, solid recurring product software revenue, and high dollar-based net retention rate will likely support its stock price.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:BB (BlackBerry)
3. TSX:ABST (Absolute Software)
4. TSX:BB (BlackBerry)
5. TSX:WELL (WELL Health Technologies Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Investing
2. Tech Stocks

Date
2025/10/02
Date Created
2021/12/08
Author
snahata