The 3 Best Under-$10 Stocks

Description

The best part about stocks is that one can start investing, even with a low budget. So, if you plan to put some of your savings directly into equity, a few under-$10 stocks appear to be attractive long-term bets.

Payfare

I am bullish about **Payfare** (TSX:PAY), which offers digital banking and instant payment solutions to gig workers. The company has been growing fast and acquiring more customers, which augurs well for growth. Notably, Payfare's revenues increased at a breakneck pace both on a quarter-over-quarter and yearly basis. Meanwhile, its active user base jumped 37% sequentially, while it reflected a year-over-year growth of 679%.

Easing lockdown measures and increased demand for food delivery and ridesharing provide a strong foundation for its growth. Meanwhile, Payfare's solid recurring revenues, focus on streamlining vendor contracts, cost optimization, and decline in customer-acquisition costs bodes well for growth. Also, its partnership with leading marketplaces and gig platforms is encouraging.

Overall, Payfare will likely benefit from growing demand, its highly scalable platform, foray into newer verticals, and a growing addressable market.

WELL Health

WELL Health Technologies (TSX:WELL) stock witnessed a sharp selling in 2021 that eroded a significant portion of its value. Notably, valuation concerns and expected moderation in growth rate amid economic reopening led investors to dump WELL stock, which is down over 37% this year. I see this correction in WELL stock as an excellent opportunity to buy.

Thanks to its dominant competitive positioning in the domestic market and its multi-disciplinary offerings, I am upbeat about WELL's prospects. Its comprehensive services, strong recurring revenue base, strategic acquisitions, and strength in its core business will likely support its stock price. The company continues to deliver positive adjusted EBITDA, which is encouraging. Moreover, its organic growth rate remains high and supports my bullish outlook.

StorageVault Canada

Next up are the shares of **StorageVault Canada** (TSXV:SVI). It provides storage locations and logistics services. The company continues to perform well, while its stock has outperformed the benchmark index by a wide margin this year. Notably, SVI stock has surged about 78% this year and could continue to increase in 2022 and beyond due to the ongoing momentum in its business.

Overall, its growing portfolio of owned and managed stores, strong competitive positioning in the domestic market, accretive acquisitions, and cost-control measures augur well for growth. Moreover, its higher occupancy rate, strong cash flows, and barriers to entry could continue to support the uptrend in its stock.

Bottom line

Investors should take caution and shouldn't invest in stocks solely based on the price. Several Canadian stocks are trading cheap. However, investors should note that there might be good reasons why such stocks are trading low.

As for Payfare, WELL Health, and StorageVault, these companies have consistently performed well and delivered solid financial performances in the past. Moreover, these companies have multiple growth vectors that could continue to support their financial and operating performances and drive stock prices higher.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:PAY (Payfare Inc.)
2. TSX:SVI (StorageVault Canada Inc.)
3. 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

Date
2025/06/29
Date Created
2021/12/31
Author
snahata