



4 Cheap Canadian Stocks That You Can Buy Under \$30

Description

Despite the Canadian equity markets bouncing back strongly from last month's lows, few stocks continue to trade at a substantial discount from their recent highs. In this article, we will look at four such companies that offer excellent growth prospects.

Air Canada

The passenger airline industry, including **Air Canada** ([TSX:AC](#)), continues to suffer due to the rising COVID-19 cases from the Omicron variant. The company has lost over 26% of its stock value from its March highs. The selloff has dragged its forward price-to-sales multiple down to an attractive 0.6. Despite the challenging environment, I am bullish on Air Canada due to its strong balance sheet and healthy long-term outlook.

Given its strong liquidity of \$14.4 billion, the company is well positioned to overcome these challenging periods. The International Air Transport Association has stated that airline companies' losses could contract this year compared to the previous year. The initial data suggests Omicron is less severe compared to the Delta variant. The rising vaccination could also improve passenger demand in the coming quarters. Meanwhile, the company is also boosting its cargo segment, which would increase its growth potential.

BlackBerry

With the Federal Reserve indicating monetary-tightening measures due to the rising inflation, high-growth stocks have been under pressure over the last few weeks. Amid the weakness, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is trading over 67% lower from its 52-week high. Meanwhile, I believe the pullback offers an excellent buying opportunity. Last month, the company had reported a solid third-quarter performance amid strong performance from cybersecurity and IoT segments.

Further, I expect the uptrend in BlackBerry to continue, given its exposure to high-growth markets, such as cybersecurity, IoT, and electric vehicle segments. Given the favourable environment, the

company is working on launching innovative products to increase its market share. Meanwhile, its intelligent vehicle data platform, IVY, could also be a significant growth driver as the software components in vehicles continue to rise. So, given its high growth prospects and a substantial discount on its stock price, [I am bullish on BlackBerry](#).

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is currently trading over 22% lower than its 52-week highs. The weakness in the renewable energy sector appears to have dragged the company's stock price and its valuation down. However, the company's outlook looks healthy, given the growing transition towards clean energy and its planned investments to expand its utility and power-producing facilities.

Over the next five years, Algonquin Power & Utilities has planned to make around \$12.4 billion of investments. Supported by these investments and acquisitions, its management [projects its adjusted EPS to grow at a CAGR of 7-9%](#) through 2026. It pays a quarterly dividend, with its forward yield at an attractive 4.87%. So, I believe Algonquin Power & Utilities could be an excellent buy in this volatile environment.

Tilray

My final pick is **Tilray** ([TSX:TLRY](#))([NASDAQ:TLRY](#)), which had reported an impressive second-quarter performance last week. Its revenue and adjusted EBITDA grew by 20% and 35.7% on a year-over-year basis, respectively. It has acquired a leadership position in the Canadian recreational space, thanks to its broad array of Cannabis 2.0 products, expanded distribution network, and strategic price adjustments.

Tilray has also acquired a significant share in Germany's cannabis medical segment. Meanwhile, the company also hopes to strengthen its footprint in other parts of Europe. Its EUGMP-certified production facilities and a robust distribution network could help in boosting its sales. In the United States, SweetWater and Manitoba Harvest have established a firm foothold, generating approximately \$100 million of revenue with positive adjusted EBITDA and cash flows. Meanwhile, these two strategic pillars could also help the company drive THC product sales upon legalization.

Despite its healthy growth prospects, the company trades close to 70% lower than its 52-week high. So, Tilray could deliver superior returns over the next two years.

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TICKERS GLOBAL

1. NASDAQ:TLRY (Tilray)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:BB (BlackBerry)
4. TSX:AC (Air Canada)

5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:BB (BlackBerry)
7. TSX:TLRY (Aphria)

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Date

2025/07/03

Date Created

2022/01/17

Author

rnanjapla

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