3 Cheap Non-Tech Growth Stocks That Pay Dividends!

Description

Many growth stocks have been pummeled in the recent market downturn. Many are tech stocks that aren't profitable. Let's forget about these stocks. Other growth stocks have been profitable but were still beaten down. Let's take are look at these three cheap non-tech growth stocks that can deliver meaningful price appreciation. They also pay delightful dividends that pay investors to wait.

Wheaton Precious Metals stock

Wheaton Precious Metals (TSX:WPM)(NYSE:WPM) stock has corrected about 21% from its 52-week high. However, Scotia Capital analyst Trevor Turnbull had a positive take on the stock this month, giving it a "sector outperform" rating with a one-year price target of US$65.00, which represents approximately 64% near-term upside potential. He highlighted that the company reported Q1 adjusted earnings per share (EPS) of US$0.35, beating the consensus of US$0.34. The low-risk precious metals company also generated operating cash flow of US$210 million for the quarter.

Scotia Capital estimates the company will generate free cash flow of US$630 million this year. Compare this with the US$218 million dividends paid by Wheaton Precious Metals in 2021. Because the company doesn't have exploration costs or operate mines, it enjoys high margins and substantial cash flow generation.

WPM stock pays a decent yield of about 1.5%. Investors should consider buying the stock on the cheap. According to Yahoo Finance, the analyst consensus price target is US$58.73, which implies upside of 48%.

Aecon Group stock

Aecon Group (TSX:ARE) stock has also participated in the recent market downturn. Specifically, it has declined about 35% from its 52-week high. At $14 and change per share, it's an excellent buy-the-dip opportunity for a turnaround.

Here’s Mike Archibald’s take on the company from last month:

> “The company has faced challenges in the past few quarters. Coastal Gas Link disputes have created uncertainty with cash flows. It appears an agreement is approaching with Coastal Gas Link which will help the share price. It is a good exposure to the construction market and provincial and federal projects. Wait to buy on improved earnings.”
> *Mike Archibald, associate portfolio manager at AGF Investments*

Improved earnings would certainly move the cyclical stock. Last year, Aecon’s EPS dropped by a double-digit rate. The slight sign of an earnings improvement could reverse the downward trend of the stock. Aecon is easily a $19-20 stock. Currently, Yahoo Finance shows the analyst consensus price target as $19.83, which implies upside of about 39%.

Aecon stock also pays a generous yield of almost 5.2%. It has a track record of paying safe dividends, having maintained or increased its dividend every year since 2008.

goeasy stock

High inflation implies that people will need to borrow more money because things are becoming more expensive. This bodes well for leading consumer lender **goeasy** (TSX:GSY). The growth stock is cheap. It trades at about 10.3 times earnings. Its EPS and dividend have climbed at a double-digit rate for the long haul. From 2007 to 2021, it nine times its EPS and 9.4 times its dividend! That’s an exceptional growth rate of 17% and 17.4%, respectively! The growth stock has the potential to double investors’ money from price appreciation alone over the next three years. Additionally, it pays a safe dividend that yields a solid 3.2%.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:WPM (Wheaton Precious Metals Corp.)
2. TSX:ARE (Aecon Group Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:WPM (Wheaton Precious Metals Corp.)

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Date
2025/09/18
Date Created
2022/05/16
Author
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