



4 Cheap TSX Stocks to Buy Now Under \$20

Description

While low-priced stocks are more risky and volatile, a few have tremendous growth potential. Let's look at four TSX stocks priced under \$20 and worthy of investment at current price levels.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#)) ([NYSE:AQN](#)) is a [safe and low volatility stock](#) trading under \$20. The power producer generates predictable cash flows on the back of its rate-regulated assets. Furthermore, long-term contractual arrangements add visibility over the future cash flows and support dividend payments.

Notably, Algonquin Power and Utilities stock has risen more than 370% in the past decade. Moreover, it enhanced its shareholders' returns by increasing its dividend at a CAGR of 10% during the same period. For a low-risk company like Algonquin, the above returns appear attractive. It expects its growing rate base to drive its future earnings and support its stock price and dividend payments. Meanwhile, its opportunistic acquisitions and growing renewables capacity bode well for growth.

Absolute Software

The ongoing digital shift provides a multi-year growth platform for **Absolute Software** ([TSX:ABST](#)) ([NASDAQ:ABST](#)) that offers endpoint security. The stock has corrected quite a lot due to the recent selling in the high-growth companies, providing an excellent entry point.

It is growing its customer base, enhancing its product offerings, and focusing on driving higher revenues from the existing customers. Absolute Software's recurring revenues are growing at a mid-teens rate, and strong enterprise and government spending suggest that the momentum in its business will likely sustain. Also, its growing addressable market and focus on opportunistic acquisitions augur well for growth.

StorageVault Canada

StorageVault ([TSX:SVI](#)) stock could be another exciting stock to buy under \$20. It rents out storage space to individuals and commercial customers and has witnessed strong demand for its offerings. StorageVault's focus on growing its rentable space and short duration rentals bode well for growth and enables it to manage inflationary headwinds.

Moreover, its focus on increasing its rent per square, higher occupancy, and growing scale support my bullish outlook. Its ability to grow cash flows, strong competitive positioning in Canada, and strategic acquisitions will likely drive its stock higher.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has been highly volatile. However, its focus on innovation, secular industry trends, and a large addressable market indicate that BlackBerry could deliver stellar gains in the long term. Higher enterprise spending on cybersecurity and electrification & automation of vehicles provide a multi-year growth opportunity for BlackBerry.

Moreover, strong recurring software product revenue, customer acquisitions, and retention bode well for growth. BlackBerry is projecting double-digit revenue growth across its business segments for the next five years. Moreover, it expects to expand its gross margins by about 100 basis points annually during the same period, which is encouraging.

Bottom line

These TSX-listed stocks are low priced but have strong growth prospects in the long term. All these companies have reliable revenue streams and have been consistently growing their scale, which bodes well for these companies and investors.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:BB (BlackBerry)
4. TSX:ABST (Absolute Software)
5. TSX:AQN (Algonquin Power & Utilities Corp.)
6. TSX:BB (BlackBerry)
7. TSX:SVI (StorageVault Canada Inc.)

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