3 Cheap (Under-$20) Stocks That Could Give Good Returns

Description

What's attractive about stocks is that one doesn't need a large sum to start investing. A small and regular investment in fundamentally strong stocks could help in accumulating substantial funds in the long term. So, for investors with a small investment surplus, here are three cheap TSX stocks (priced below $20) that could give good returns in the long run.

Stock #1

The first stock on this list is **BlackBerry** (TSX:BB)(NYSE:BB). The company has solid growth prospects and is poised to benefit from automation and electrification of vehicles and higher enterprise spending on cybersecurity incidents. Meanwhile, management's solid growth outlook and the sharp correction in its price present a good buying opportunity.

It's worth mentioning that BlackBerry expects the momentum in its business to sustain and projects its top line to increase at a CAGR of 13% through 2027. Meanwhile, IoT and cybersecurity revenues are expected to grow at a CAGR of 20% and 10% during the same period. BlackBerry expects its operating margin to expand by 100 basis points per annum over the next five years.

Its recurring product revenue, growing addressable market, strong customer growth, upbeat guidance, favourable sector tailwinds, and the recent pullback make BlackBerry a top stock for long-term investors.

Stock #2

The next stock on this list is also from the tech sector. I am bullish on the digital healthcare services provider **WELL Health** (TSX:WELL). It has been consistently delivering robust growth, despite the economic reopening and tough comparisons.

The ongoing strength in its organic sales and benefits from acquisitions continue to drive its top line at a breakneck pace. However, what stands out is WELL Health's strong growth in omnichannel patient visits and ability to deliver profitable growth.

In a recent business update, WELL Health said that omnichannel patient visits have remained strong in April and May. Further, its U.S.-focused virtual patient services are growing rapidly. These indicate that WELL Health could deliver stellar in Q2. What's more? WELL Health's management is confident of delivering profitable growth in 2022.

Strong momentum in its business, a ramp-up in M&A activities, and profitable growth could lead to a sharp recovery in its price.

Stock #3

From high-growth, high-risk tech stocks, let's turn toward a relatively safe stock: **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN). This utility company has been delivering healthy returns and enhancing its shareholders' value through higher dividend payments.

Its rate-regulated utility assets, growing portfolio of renewables, long-term contractual arrangements, and solid earnings base bode well for growth and add stability.

Algonquin Power & Utilities sees its rate base growing at a double-digit rate in the medium term. This would expand its earnings base, support its growth, and higher dividend payments. Moreover, the company expects its earnings to increase at a high single-digit rate during the same period. Besides the strength in its base business, opportunistic acquisitions will likely support its growth and drive shareholder returns.

It has increased its dividends for 12 years and is yielding about 5.4% at current levels.

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2. NYSE:BB (BlackBerry)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BB (BlackBerry)
5. TSX:WELL (WELL Health Technologies Corp.)

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