3 Top Stocks You Can Still Buy for Under $20 a Share

Description

A stock's low price often makes it tempting to investors. However, not all low-priced stocks are worth investing in, and their lower prices could be for good reasons. Nevertheless, a few top TSX stocks are still priced under $20 and have solid growth prospects. Among the top under $20 stocks, here are my three picks.

Absolute Software

The ongoing digital shift and increased enterprise spending on cybersecurity provide a solid growth foundation for **Absolute Software** (TSX:ABST)(NASDAQ:ABST). Its stock has declined significantly amid the recent selling in the market. However, Absolute Software continues to deliver solid financial performances consistently.

Absolute Software's annual recurring revenues are growing at a double-digit rate with continued strength in the enterprise and government segments. Further, it is expanding its addressable market through product and channel expansion. Also, its high net dollar retention rate, focus on strategic capital allocation, opportunistic acquisitions, and cross-selling opportunities bode well for growth.

Absolute Software stock is also looking attractive on the valuation front. ABST is trading at a forward EV/sales multiple of 2.9, which is cheap and significantly below its historical average.

WELL Health

Digital healthcare service provider **WELL Health** (TSX:WELL) is a solid long-term investment. Though the market participants have sold WELL Health stock in anticipation that easing restrictions could lead to a decline in demand that hasn't played out yet. WELL Health continues to witness robust growth in omnichannel patient visits.

During the last quarter, WELL Health's omnichannel patient visits increased by 62%. Thanks to the higher visits, WELL Health's top line surged 395%.

After stellar Q1 performance, WELL Health is set to deliver robust Q2 performance. Management stated that the company recorded solid revenue growth in Q2 on the back of higher omnichannel patient visits. WELL continues to benefit from strong organic sales. Meanwhile, its focus on acquisitions accelerates its growth. Also, the momentum in its U.S.-focused virtual patient services businesses is positive.

Looking ahead, an extensive network of outpatient medical clinics, its focus on ramping up clinic growth, continued M&A activities, and strength in the U.S. business will likely support its growth. WELL Health has consistently generated positive adjusted EBITDA over the past several quarters and is on track to deliver profitable growth in 2022.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is a safe stock that pays you cash amid all market conditions. This under $20 stock is backed by a solid business that generates predictable cash flows. Notably, Algonquin owns regulated and long-term contracted assets that remain mostly immune to economic cycles and support its growth and payouts.

It has consistently delivered strong total shareholder returns. Meanwhile, its continued rate base growth and solid earnings suggest that it could continue to deliver solid returns in the coming years.

Algonquin projects its rate base to grow at a CAGR of approximately 15% in the medium term. This will drive its earnings and dividend payments. Besides capital growth, investors can earn a reliable yield of 5.4% by investing in Algonquin stock.

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3. TSX:ABST (Absolute Software)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
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