



COVID-19 Pandemic: 3 Red-Hot Growth Stocks to Own

Description

The S&P/TSX Composite Index shed 377 points on May 13. Indices in the United States also suffered a pullback, as the economic consequences of the COVID-19 pandemic have continued to mount. Ontario, Canada's most populous province, has hinted at a three-stage economic re-opening plan but has given no concrete timeline. In this instance, it may seem risky to scour for growth stocks.

Investors and workers are in the dark, which is making this environment very difficult to navigate. Today, I want to look at three growth stocks that have been worth owning in this crisis. These stocks are capable of flourishing, even in the face of these unprecedented headwinds.

Top growth stock: Shopify

In late April, I'd discussed why **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) was certain to [breach the \\$1,000 valuation mark](#). Shares of the Ottawa-based e-commerce company have climbed 72% over the past month as of close on May 13. The stock is up over 215% year over year.

Shopify got a boost from a very positive first-quarter 2020 report, but the COVID-19 pandemic is also fomenting change that will benefit the e-commerce space. The digital migration for shoppers around the world will only be accelerated due to the lockdowns we have seen. In Q1 2020, Shopify saw its Gross Merchandise Volume (GMV) rise 46% from the prior year to \$17.4 billion.

The growth stock has more than doubled its value from its sharp dip in the middle of March. Shopify has huge growth potential in the 2020s as it eyes international expansion. It is a pricey addition, but it's difficult to bet against this e-commerce behemoth.

One healthcare stock to own in this pandemic

Back in late March, I'd focused on three stocks that were [primed to gain momentum](#) in the spring. **VieMed Healthcare** ([TSX:VMD](#)) stock has climbed 31% over the past three months as of close on May 13. The stock is up 16% month over month.

VieMed Healthcare provides in-home durable medical equipment and healthcare solutions to patients in the United States. As a ventilator supplier, it has offered its services in this time of crisis. Its services are in demand in this pandemic, which is one of the reasons I'm bullish on this growth stock.

In the first quarter of 2020, the company reported revenue growth of 31% to \$23.8 million. Its active ventilator patient base increased 25% year over year. Adjusted EBITDA climbed 76% from the prior year to a company record \$7.9 million. VieMed expects to generate approximately \$20 million in product sales related to the ongoing pandemic in Q2 2020.

One dividend stock to snag

Jamieson Wellness ([TSX:JWEL](#)) is a developer, manufacturer, distributor, seller, and marketer of natural health products in Canada and around the world. Its shares have climbed 28% in 2020 so far. The COVID-19 pandemic has put the spotlight on global health, and this will likely increase interest in nutrition and supplements products.

In the first quarter of 2020, Jamieson saw revenue increase 16.5% year over year to \$84.5 million. Adjusted EBITDA climbed 15.2% to \$16.7 million. Jamieson reported an increase in consumer purchases in Q1 2020, illustrating the enhanced focus on health and wellness due to the pandemic. The company reiterated its confidence in its 2020 financial outlook.

Jamieson has been a reliable growth stock in 2020, but it also offers a bit of income. It last declared a quarterly dividend of \$0.11 per share. This represents a 1.3% yield.

CATEGORY

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TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:VMD (Viemed Healthcare)

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