



3 High-Growth Stocks Under \$20 That Can Make You Rich

Description

High-growth stocks can make you rich by multiplying your investments in the long term. However, these stocks come with higher risks. So, if you are willing to take that calculated risk, here are the three stocks trading under \$20 that have the potential to rise multi-fold over the next 10 years.

Absolute Software

My first pick is **Absolute Software** (TSX:ABT), which provides data management and security services to enterprises and public sector organizations. This year, the company has returned over 90%. The pandemic has forced people to work and learn remotely, accelerating the demand for its products and services. The increased demand drove the company's financials and its stock price.

In its recently completed [fourth quarter](#), the company's top line grew 7.5%, driven by increased demand from existing as well as new customers across enterprise and education segments. Its adjusted EBITDA grew 53% to US\$7.5 million. Along with top-line growth, the company's cost-management initiatives and benefits from the transition to remote working increased its EBITDA.

Of the US\$6.9 million of ARR (annual recurring revenue), the new customers and expansions contributed US\$3.5 million. I expect the company's ARR to rise further, given the shift towards remote working and e-learning and increase in data breaches and cyberattacks.

Gartner has projected the cybersecurity spending to rise to US\$190 billion by 2023, with \$56 billion dedicated to endpoint security, which could benefit Absolute Software. So, given the company's robust outlook, investors should buy the [stock for higher returns](#).

Facedrive

My second pick is **Facedrive** (TSXV:FD), a ride-sharing company that offers its customers greener options, such as electric and hybrid vehicles, along with conventional means. The company has also expanded into e-commerce, healthcare, and food delivery sectors. It has returned over 615% this year.

The company's impressive financials and the acquisitions have supported its stock price growth. In the quarter that ended on March 31, the company had reported revenue growth of over 975%. Meanwhile, the previous year was even more impressive, with its top line growing over 4,000%.

Currently, the company is operational in the Greater Toronto Area, Hamilton, London, Guelph, Kitchener, Waterloo, Cambridge, Orillia, and Ottawa. Meanwhile, the company has planned to expand its footprint to the United States and Europe in the future. Further, the company's expansion to other sectors, such as e-commerce, food delivery, and healthcare businesses, has strengthened its outlook.

However, in the last few days, the company's stock has witnessed a pullback, with its stock price falling by over 17% since August 25. So, I believe investors should utilize the correction to accumulate the stock.

WELL Health Technologies

WELL Health Technologies ([TSX:WELL](#)) is my third pick. It owns a portfolio of medical clinics in British Columbia and is the third-largest EMR (Electronic Medical Record) service provider in the country. In March, the company even launched its telehealth service VirtualClinic+. With returns of over 325%, the company is one of the top performers this year.

The increase in demand for its digital services and its entry into the lucrative United States market drove the company's stock price. In its second quarter, the company's revenue grew 43% to \$10.6 million. Meanwhile, its revenue from its digital services increased by over 1,200% to \$2.34 million during the quarter.

Amid the pandemic, the company's telehealth visits increased by over 730% on a sequential basis to 124,800 during the quarter.

Meanwhile, the company has announced it will acquire a controlling stake in Silicon Valley-based Circle Medical for US\$14 million. The acquisition would provide the company access to telehealth services in 35 states, covering 200 million Americans.

Also, the company has expanded its EMR footprint to over 2,000 clinics in Canada. So, given the strong outlook, I believe the rally in the company's stock price has more legs to go.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:ABST (Absolute Software)
2. TSX:WELL (WELL Health Technologies Corp.)

3. TSXV:STER (Facedrive Inc.)

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