



## Got \$3,000 to Invest? These 3 TSX Growth Stocks Could Triple Your Wealth

### Description

When it comes to equity investing, growth stocks are generally on the radar of most investors. These high-beta stocks tend to outperform broader markets over the long run, driven by a focus on revenue growth and expansion on profit margins.

We'll look at three such growth stocks on the TSX that have the potential to generate market-beating returns in the upcoming decade.

### A health-tech stock

The first company on the list is **Well Health** ([TSX:WELL](#)), a stock that is trading at \$6.25. It has gained a massive 300% in 2020 and close to a staggering 5,580% since its IPO in April 2016. This means a \$1,000 investment in the Well Health IPO would have ballooned to \$56,800 today.

The health-tech company has focused on acquisitions to expand its top line over the years. It acquired six clinics in February 2018 and 13 clinics in November 2018. Well Health is also a majority stakeholder in companies such as SleepWorks and Spring Medical.

The SaaS-based company launched its telehealth service in March 2020 that connects patients and physicians via video, messaging, and phone. Well Health aims to consolidate and modernize healthcare assets by leveraging digital technologies and processes, which should improve operational efficiency for healthcare providers and enable them to provide a satisfying patient experience.

### A Canadian EV company

Another high-growth company that has massive potential is **GreenPower Motor** ([TSXV:GPV](#)). If you are bullish on electric vehicle companies, then you can look to invest in GreenPower, which is the only [publicly traded EV manufacturer](#) in North America after **Tesla**.

GreenPower stock is trading at \$14.8, which indicates year-to-date gains of 600%. However, the stock

is also trading 52% below its record high, which provides an attractive buying opportunity.

GreenPower is valued at a market cap of \$270 million, and it generated \$13.5 million in sales in fiscal 2020 that ended in March. Analysts expect sales to touch \$51 million by fiscal 2022, indicating a forward price-to-sales multiple of 5.3, which is very reasonable given its robust growth rates.

GreenPower is also expected to improve its earnings per share from -\$0.34 in fiscal 2020 to \$0.21 in fiscal 2022.

## A ride-hailing company

The final company on the list of Canadian growth stocks is **Facedrive** (TSXV:FD), [a ride-hailing company](#) that is eyeing rapid expansion. Facedrive is already valued at a market cap of \$1.14 billion and has surged 500% since its IPO last year.

In the first quarter, Facedrive sales surged by a massive 1,000% to \$388,000, which is why it can support its sky-high valuation. However, the company is still tiny compared to ride-hailing giants such as **Uber** and **Lyft**. Facedrive will have to keep growing at a breathtaking pace and will also burn millions of dollars before it becomes profitable.

It has a cash balance of \$3.4 million, but investors should brace for multiple capital-raising rounds, given the negative profit margins for companies in this space. Facedrive is also looking to expand into other Canadian markets as well as in the U.S. and Europe, which will result in exponential revenue growth.

Further, it is targeting food delivery, healthcare delivery, and e-commerce as alternative sources of income to diversify its business.

## The Foolish takeaway

The three stocks mentioned here carry certain risks. Investors need to understand that growth stocks are volatile and underperform significantly when market sentiment is bearish. These three companies are also relatively smaller in size compared to their counterparts south of the border, which provides an opportunity for exponential growth.

Alternatively, a \$1,000 investment in each of these stocks at the start of 2020 would have returned a cumulative \$16,000 in fewer than nine months.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:WELL (WELL Health Technologies Corp.)
2. TSXV:GPV (GreenPower Motor Company Inc.)
3. TSXV:STER (Facedrive Inc.)

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