2 Canadian Growth Stocks You Should Own Before December Ends

Description

One key factor in creating generational wealth is by buying growth stocks *early*. After all, it's much easier to double, triple, or even quadruple a company's revenue when the business is much smaller.

Of course, the following growth stocks are also going to be helped by the expanding industries they're in. That is, even if these companies don't make any acquisitions, they will still grow. That said, making strategic acquisitions should make them even more competitive.

Without further ado, here are the Canadian growth stocks you should own before the end of December.

Canadian growth stocks digitizing healthcare

High-growth companies, such as **CloudMD Software & Services** (TSXV:DOC), have sprung up to take on the honourable job of digitizing healthcare, making the system more convenient and efficient for its stakeholders.

With a market cap of only about $370 million, CloudMD has a long growth runway. CloudMD is a healthcare technology company that's changing the delivery of healthcare.

It's built by a team of doctors who know what needs to be fixed in the traditional healthcare system. The telehealth company is using technology to work out the kinks by addressing physical and mental healthcare on one platform.

In the last 12 months, CloudMD doubled its revenue to $11.6 million. Its gross profits also exploded at a similar rate. It's just a matter of time before it turns a profit. It could happen over the next couple of years.

The Vancouver-based Canadian growth stock is taking a breather at about $2.26 per share. Only four analysts cover the small-cap stock now. So, it's still largely a hidden gem from Bay Street. Still,analysts are optimistic about the stock, believing it can appreciate by about 47% over the next 12months.

Renewable gas stocks

Renewable gas is the path to a cleaner future. **Xebec Adsorption** (TSXV:XBC) has absolutely been capitalizing in this space. In the past five years, it has created generational wealth by being a 136-bagger from a penny stock to a $726-million market cap company! In the last 12 months alone, the growth stock almost doubled.

Xebec is still growing its top line at a rapid pace. In the last 12 months, the company increased its revenue by 52% to $58.5 million. Its gross profits also climbed at a double-digit rate of 22%.

Xebec purifies gas and produces renewable natural gas (RNG) and hydrogen. It also compresses air and natural gas and generates recurring revenue from providing local service, support, spare parts, and remote monitoring for its customers.

Finally, it builds, owns, and operates mid-market energy infrastructure assets to produce renewable gases in Canada and the United States. As utilities sign long-term RNG purchase agreements, Xebec can gain significant recurring revenue from these infrastructure assets.

In November, Xebec strengthened its relationship with **Shenergy**, its partner in Shanghai that's owned by the state. Management believes this should lead to "large-scale opportunities to develop hydrogen infrastructure in China," as the "…hydrogen fuel market is now starting to accelerate with China's new government policies."

The Foolish takeaway

If there are two Canadian growth stocks you should own before the year ends, it should be CloudMD and Xebec. Between the two, CloudMD appears to be a better value right now. So, you might take a smaller bite out of Xebec with the idea of buying more should it consolidate or dip.

Notably, small-cap stocks should be viewed as a part of a diversified stock portfolio. Interested investors should therefore make appropriate allocations.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:XBC (Xebec Adsorption Inc.)
2. TSXV:DOC (CloudMD Software & Services Inc.)

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