2 Growth Stocks That More Than Doubled in 2020 and Are Still Worth Buying

Description

When a stock experiences massive gains, there are often two ways investors approach the situation. Some investors will see it as an opportunity to lock in gains and sell off a portion of their position. Other investors will take, Motley Fool co-founder, David Gardner's approach and decide to load up on their initial position.

Given the nature of this article, it may be easy to determine which approach I take in my portfolios. In this article, I will discuss two companies that saw their stocks more than double this year yet continue to pose intriguing investment propositions.

How should you approach high-flying stocks?

To understand the mindset of this investing style, we should briefly go over two of David Gardner's investing principles that are most relevant to this article. First, investors should not be afraid of letting their winners run. This means that if your initial investment, or a stock you are interested in, has already run up, then don't be afraid to let it keep going. Do not be so quick to trim your positions, since it will eat into your returns over the long term.

Second, investors should add up instead of doubling down. This principle states that investors should keep adding to their positions as companies become more valuable. This is contrary to the popular belief of waiting for a dip in the market to add to your positions.

Which two companies should investors consider adding to their portfolio?

With those two investing principles in mind, I believe **Goodfood Market** (TSX:FOOD) and **WELL Health Technologies** (TSX:WELL) present very intriguing opportunities, moving forward. Both companies have performed extremely well over the past year. Goodfood stock has gained 244% since the start of the year. In comparison, WELL Health stock has returned an astonishing 430% as of this writing. Both companies face tremendous tailwinds which will help continue their growth.

Goodfood Market is an industry leader among Canadian online grocery and meal kit providers. The company is poised to benefit from an ever-increasing adoption in online shopping. Currently, groceries represent a very small portion of online retail. However, like many things, the COVID-19 pandemic may have accelerated its adoption.

In 2017, 75% of surveyed consumers indicated that they had never purchased groceries online. In March 2020, consumers were surveyed again. This time, 55% of respondents indicated that they had purchased groceries online. This is a tremendous shift in consumer behaviour.

The survey also asked participants whether they anticipated to continue purchasing groceries in the future, with a staggering 90% of respondents saying *yes.* Clearly, online shopping has a lot of momentum behind it.

Regarding WELL Health, the company is the leader among Canadian telehealth providers. It is on a mission to help improve patient experiences and health outcomes by providing advanced healthcare technology. WELL Health does this by acquiring primary healthcare providers and licensing a suite of healthcare software.

The global telehealth market is expected to grow to a size of $559.52 billion by 2027. This represents a compound annual growth rate of 25.2% from here. WELL Health's advancement into the American healthcare market and its positioning within Canada are the main reasons for my bullishness in the company.

Foolish takeaway

Goodfood Market and WELL Health stock have more than doubled over the past year. However, both companies operate in industries that should see massive growth moving forward. They are both well positioned for success and investors would be wise to consider adding to, or starting, positions in these companies.

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Date

2025/09/07
Date Created
2020/12/27
Author
jedlloren