



2 Small-Cap Stocks for Massive Returns in 2021

Description

The law of big numbers suggests that companies with larger market caps will tend to fall towards the mean in terms of growth potential. Therefore, investors wishing to find market-beating companies should look towards small-cap stocks. Indeed, some of the best-performing stocks on the **TSX** this year have come from small-cap companies. **Docebo** (+352) and **Goodfood Market** (+275%) are two excellent examples of great small-cap growth companies.

In this article, I will discuss two small-cap stocks that investors should consider adding to their portfolios for massive returns in 2021.

One of the least-known growth stocks on the TSX

Tecsys ([TSX:TCS](#)) is one of the most underappreciated growth stocks in Canada. In fact, since [my first article](#) covering the company in June, Tecsys has only been featured on The Motley Fool five more times. However, since that first article was published, Tecsys stock has quietly climbed 116%. I believe the company will continue to see massive growth in the coming years.

A company that has been around since the 1980s, Tecsys has become a global leader in [supply chain management](#). In a time where companies seem to be growing exponentially, Tecsys continues to add the names of global giants as customers. Currently, **Caterpillar**, **Honda**, and **Ubisoft** all turn to Tecsys's products and services to help their businesses grow.

Although I often look for founder-led companies, Tecsys is not headed by its original CEO. Instead, it is led by Peter Brereton, the company's president and CEO. Brereton may not have been the founding CEO, but he has been involved with the company since its inception. He also holds a large ownership stake in the company and has been recognized as the 2019 EY Entrepreneur of the Year in Quebec.

Telehealth is going to continue growing, as will this company

The telehealth industry is expected to grow to a size of \$559.52 billion in 2027. This represents a

25.2% compound annual growth rate from the estimated market size in 2019. Because of this incredible growth trajectory, I remain bullish on **WELL Health Technologies** ([TSX:WELL](#)). It is the leading telehealth pure-play company in Canada.

WELL Health is on a mission to help improve patient experiences and health outcomes in a largely fragmented Canadian healthcare landscape. The company plans to do so by acquiring primary healthcare providers and digital assets, which it licenses to clinics in its network. As of this writing, WELL Health operates 20 primary care clinics. In addition, more than 2,000 clinics are found in its EMR network.

The company is led by Hamed Shahbazi, a serial entrepreneur with more than 20 years of tech experience. He previously founded and led TIO Networks, a publicly traded payments solution provider. TIO Networks was sold to **PayPal** in 2017 for \$304 million. During his time with his previous company, Shahbazi gained a wealth of experience in mergers and acquisitions. These are strategies he has since brought to WELL Health.

The company is well positioned in a large and growing industry and has a great CEO leading the way. WELL Health should continue to see lots of growth in the coming year.

Foolish takeaway

Investors wishing to find market-beating performance should turn towards small-cap companies. Due to their positioning within important industries and excellent leadership teams, Tecsys and WELL Health are two companies that should see massive returns in 2021.

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TICKERS GLOBAL

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