



3 Growth Stocks to Watch in 2021

Description

Well, we finally made it to the end of 2020. This has been an eventful, painful if not difficult year, so there will be plenty to celebrate. For investors, it's been a roller coaster year, which makes the look forward to 2021 as a welcome breath of fresh air. Earlier this week, I mentioned some of the [best dividend stocks](#) to ring in the new year. Now, let's take a look at some growth stocks to watch in 2021.

It's all about health

The COVID-19 pandemic dominated the news for much of 2020. 2020 showed us just how important the medical and pharma sectors of the economy are, so the first growth stock to watch in 2021 is a specialty pharma company, **Bausch Health** ([TSX:BHC](#))([NYSE:BHC](#)).

Just over four years have passed since [Bausch](#) (then under another name) saw its share price collapse by over 90%. That event left the company with massive debt, a broken business model, and a revolving door in the C-Suite.

Today, Bausch is rebuilt, has strong management, digging its way out of debt, and has a suite of promising drugs in its growing portfolio. In fact, conditions have improved so much that earlier this week the company announced it would be paying \$275 million of senior notes using cash on hand, putting total debt repayments in 2020 north of \$900 million, and more important, leaving Bausch with no debt maturities until 2024.

Fill'er up, please!

Alimentation Couche-Tard (TSX:ATD.B) is an interesting pick that should be on the radar of every investor. Couche- Tard boasts one of the largest gas station and convenience store networks on the planet. The business is both defensive and deemed a necessity, making it a recession-proof gem for your portfolio.

Couche Tard has taken an aggressive stance toward growth in recent years. The company's

impressive string of acquisitions have not only expanded its reach to new markets, but also brought in significant cost synergies over time.

A word to prospective investors – don't let Couche-Tard's anemic 0.79% yield sway you as Couche-Tard is a *growth-focused* company, not an income producer. In the past two-year period, the stock has shot up nearly 30%. Looking out over a longer five-year period has Couche-Tard's stock pushing north of 40%.

That level of growth combined with the dividend provides investors with an annual growth rate well into the double digits, making Couche-Tard one of the great growth stocks to watch in 2021.

There's a lot of money to be made in cargo

While most businesses observed a notable drop in earnings under the pandemic, **Cargojet** ([TSX:CJT](#)) is an example of the opposite. As a result of the pandemic, more people are shopping online instead of going into stores in person. This translates into more cargo being shipped, and by extension, stronger results for Cargojet.

In the most recent quarter, Cargojet reported \$162.3 million in revenue. By comparison, in the same quarter last year, Cargojet reported just \$117.4 million. A strong holiday season will more than likely extend that streak into the next quarter. Further, Cargojet has already signed onto a partnership with DHL express adding additional international routes to its sprawling network.

Apart from the fact that the stock has *already doubled* in 2020, Cargojet is also benefiting from its long-term relationship with **Amazon.com**. The commerce behemoth has a 9.9% stake in Cargojet that can increase to 14.9% on that relationship continuing to prosper.

That factor alone warrants Cargojet as one of the best growth stocks to watch in 2021.

Growth stocks to watch in 2021 for every portfolio

All of the stocks mentioned above are great individual contributors to any portfolio. And while every investment does carry risk, a small position in any of these great growth stocks to watch in 2021 could lead to some serious growth. In short, buy them, hold them, and watch them grow.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BHC (Bausch Health Companies Inc.)
2. TSX:BHC (Bausch Health Companies Inc.)
3. TSX:CJT (Cargojet Inc.)

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Date

2025/08/26

Date Created

2020/12/31

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