Got $3,000? Buy These 3 Small-Cap TSX Stocks With Huge Growth Potential

Description

Small-cap stocks are usually young companies that are still in their growth phase and offer exponential growth prospects. However, these stocks can be highly volatile and risky. So, investors with high-risk-taking abilities and a longer investment horizon could invest in these stocks for superior returns. In this article, we will look at three small-cap TSX stocks with tremendous growth potential.

Facedrive

Facedrive (TSXV:FD), a ride-hailing company, is one of the strong performers of this year, with its stock price increasing close to 600%. Investors' euphoria over its expansion to other verticals, such as e-commerce, food delivery, and healthcare businesses, appears to have led to a rise in its stock price.

Meanwhile, Facedrive's growth prospects look healthy. Last month, the company collaborated with **Microsoft** Azure to migrate its contact-tracing platform TraceSCAN to the cloud, which would allow businesses and individuals worldwide to easily access the platform to mitigate the spreading of the pandemic.

Further, Innovation, Science and Economic Development Canada (ISED) has authorized the platform, which could expand the platform's use-case scenarios. Also, Facedrive has partnered with Safe-Tech to implement TraceSCAN in organizations across Canada.

Facedrive has also expanded its food-delivery service to 19 cities in Canada by partnering with around 4,000 restaurants. Currently, the company has over 220,000 active users registered on its platform. So, given its high-growth prospects, Facedrive could deliver multi-fold returns in the long run.

WELL Health Technologies

WELL Health Technologies (TSX:WELL), a telehealthcare company, has returned over 420% this year. Amid the pandemic, people were afraid of visiting hospitals and chose telehealthcare services, benefiting the company.

Meanwhile, given its easy accessibility, convenience, and cost effectiveness, the demand for telehealthcare services could sustain even in the post-pandemic world. *Fortune Business Insights* projects the global telehealth market to reach US$559.5 billion by 2027, representing an annualized growth rate of over 25%.

Further, WELL Health is aggressively expanding its business through acquisition. Since the beginning of this quarter, the company has acquired Circle Medical Technologies, DoctorCare, Easy Allied Health, Insig Corporation, Source 44, and ExcelleMD. The company has entered the lucrative United States telehealth market with Circle Medical Technologies' acquisition, which provides telehealth services in 35 states. WELL Health expects Circle Medical Technologies to contribute $10 million of revenue annually. The company is also working on acquiring some more companies.

WELL Health has also created a market place for digital health applications called "apps.health." Currently, there are over 25 apps on the platform. Given its enormous growth potential, I expect WELL Health to deliver superior returns over the next few years.

Jamieson Wellness

Jamieson Wellness (TSX:JWEL), which produces and markets natural healthcare products, has returned over 44% for this year. Amid the pandemic, the demand for its products, such as immunity and general health supplements, rose, driving its financials and stock price. The company has acquired a 25% market share in the Canadian food, drug, and mass retailers segment.

Meanwhile, Jamieson Wellness has witnessed better-than-expected sales growth in the international markets, with its sales rising by 82.2% in the September-ending quarter. The strong performance in China, Eastern Europe, and the Middle East drove the company's revenue.

China continues to be a lead market for Jamieson Wellness in the international segment. With 21 product offerings, the company has occupied a leadership position among the international vitamin, mineral, and supplement (VMS) brands. The company has also planned to acquire its existing distributor by the end of 2022. So, the company's growth prospects look healthy.

Jamieson Wellness has witnessed a 3.2% expansion in its adjusted EBITDA margin over the last three years due to the volume-driven operating leverage and improved efficiencies. So, given its high-growth prospects and expanding margins, I expect Jamieson Wellness stock to double over the next three years.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:WELL (WELL Health Technologies Corp.)
3. TSXV:STER (Facedrive Inc.)

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