



4 High-Growth Canadian Stocks to Buy Under \$50

Description

Growth stocks tend to outperform the broader equity markets during economic expansion. With the equity markets showing strong resilience amid expectations of recovery in demand and the new U.S. stimulus package, I believe these four high-growth Canadian stocks could deliver superior returns this year.

Facedrive

After delivering an impressive 606.5% returns last year, **Facedrive** (TSXV:FD) has continued the upward momentum, with its stock price trading 168.7% higher this year. Its aggressive expansion strategy and favourable market conditions have driven the stock higher. Amid the pandemic, the demand for food-delivery services has increased.

To capture the rising demand, Facedrive has [expanded its food-delivery service](#) to 19 cities in Canada. Further, it has implemented health and safety features on its platforms, which has helped the company attract more customers. The company has over 250,000 subscribers on its platform. Meanwhile, the company has already developed service extension and geographical expansion plans, which it will announce in the coming months.

Further, the company's other verticals, such as TaaS, e-commerce, and healthcare, are also expanding. So, given its high-growth prospects, I believe the upward momentum in Facedrive could continue despite its high valuation.

Canopy Growth

Cannabis stocks are witnessing strong buying this year amid the optimism over Democrats taking control of both House and Senate and expansion in addressable markets due to increased legalization in the United States. So, given the favourable market conditions, I have selected **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) as my second pick. The company beat analysts' expectations in its recently reported third quarter.

Meanwhile, Canopy Growth is yet to become profitable. However, the company has taken several cost-cutting initiatives, such as closing down excess facilities, reducing headcounts, and lowering its SG&A expenses, which could help the company become profitable. The company's management expects to report positive adjusted EBITDA in the second half of fiscal 2022.

Further, the management has provided a promising outlook for the next three years, with its top line projected to grow at a CAGR of 40-50%, while its adjusted EBITDA margin could reach 20% in fiscal 2024. So, given its high-growth prospects, [I believe Canopy Growth to deliver superior returns this year.](#)

Dye & Durham

Amid the recent pullback in tech stocks, **Dye & Durham** ([TSX:DND](#)) currently trades around a 20% discount from its 52-week high. The correction provides an excellent entry point for long-term investors, given its high-growth prospects and accretive acquisitions. In its recently announced second-quarter earnings of fiscal 2021, its revenue and adjusted EBITDA increased 96% year over year.

Further, Dye & Durham's management had stated that the integration of its recent acquisitions is ahead of schedule and expects some synergies to boost its third-quarter financials. The management expects its third-quarter adjusted EBITDA to come above \$30 million, representing a 75% year-over-year growth. Meanwhile, the management is hopeful of reporting \$340 million revenue and \$200 million adjusted EBITDA in fiscal 2022. The company has also raised \$500 million through new equity offerings, which could help in future acquisitions.

Northland Power

Amid the increased interest in renewable energy resources, I have selected **Northland Power** ([TSX:NPI](#)) as my final pick. Supported by its strong fundamentals, the company has returned 117.5% in the last five years at a CAGR of 16.8%. Since 2014, the company has increased its net capacity at an average annualized growth rate of 10%, while its adjusted EBITDA and free cash flows per share have increased at a CAGR of 21% and 9%, respectively.

Meanwhile, Northland Power has planned to make around \$15-\$20 billion of investments over the next five years, which could double its adjusted EBITDA. Its diversified and contracted assets, accretive acquisitions, and capital investments could drive its financials in the coming years. Further, the company's valuation and dividend yield also look healthy. So, I believe Northland Power is an excellent buy right now.

CATEGORY

1. Cannabis Stocks

2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:DND (Dye & Durham Limited)
3. TSX:NPI (Northland Power Inc.)
4. TSX:WEED (Canopy Growth)
5. TSXV:STER (Facedrive Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Cannabis Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

Date

2025/08/23

Date Created

2021/03/02

Author

rnanjapla

default watermark

default watermark