



3 Growth Stocks for April 2021

Description

Growth stocks are having a tough year. Most have seen double-digit declines since January. Investors are clearly pivoting to value stocks with robust cash flows this year. This means investors can finally find growth stocks trading at reasonable valuations.

Here are the top three growth stocks that seem undervalued and genuinely promising for the second-half of 2021.

Growth stock #1

WELL Health Technologies ([TSX:WELL](#)) was a Bay Street darling throughout last year. This year, the tables have turned. WELL Health stock has tumbled 25% from its all-time high set in late-February. The company is now worth \$1.35 billion, which is just four times greater than its expected annual revenue run rate for 2021.

In other words, the forward price to sales ratio is four. Meanwhile, WELL Health is on pace to greatly expand its network across the United States: a critical market for telehealth services.

Over the long-run, the company's online pharmacy, telehealth services and medical data businesses have multi trillion-dollar market opportunities. There's room to grow and WELL Health's team already has a track record of exceptional execution. Now that the valuation is lower, it could be an ideal growth stock for investors.

Growth stock #2

Topicus ([TSXV:TOI](#)) is another [reasonably-priced growth stock](#) in the tech sector. However, unlike the other stocks on this list the stock hasn't tumbled in recent months. The stock has lost just 6% of its value since hitting an all-time high. That's because it's already under the radar.

The company is a spin-off from **Constellation Software**, the enterprise software conglomerate. Unlike its parent company, Topicus focuses on vertical software acquisition targets in Europe. Small and medium-sized software firms in Europe tend to have better valuations than their North American

counterparts.

Topicus generated €494.0 million (CA\$727 million) in revenue and €63.7 million (CA\$94 million) in net income over the past year. This year, net income could expand by 30% to 40% yet again. Effectively, Topicus stock is trading at a forward price-to-earnings ratio of just 28.4, which is significantly lower than the software industry's average.

Growth stock #3

Canada Goose ([TSX:GOOS](#))([NYSE:GOOS](#)) is the only non-tech stock on this list, but it's exposure to China and growing e-commerce platform earns it a spot. The stock is up 153% since the pandemic erupted last year. It's now trading at a forward price-to-earnings ratio of 26.5.

However, the P/E-to-Growth or PEG ratio is less than 1. That's because Canada Goose expects high double-digit growth in the years ahead. The company is vastly expanding its footprint in China, a critical market for luxury retail. It's also investing heavily in its e-commerce platform, which should improve margins and sales.

Last year the company introduced lighter jackets and coats to its collection for the first time. This means it is expanding beyond the ultra-thick winter jackets that made it famous. It also means that the Canada Goose brand can expand to countries with much milder winters.

In short, this is a growth stock that deserves a spot on your watch list for 2021.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:GOOS (Canada Goose)
3. TSX:WELL (WELL Health Technologies Corp.)
4. TSXV:TOI (Topicus.Com Inc.)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/07/03

Date Created

2021/05/20

Author

vraisinghani

default watermark

default watermark