



Have \$10,000? 2 Growth Stocks That Could Rebound in 2021

Description

Growth stocks have had a difficult year so far. Several high-flying tech stocks have lost significant value in recent months. With rising inflation and interest rates, this pain in growth stocks could continue.

However, some stocks may rebound sooner than investors expect. Here are the top two growth stocks that could rebound in 2021.

Growth stock #1

WELL Health Technologies ([TSX:WELL](#)) has lost 26% of its value since hitting an all-time high. That's not bad compared to the rest of the tech market but still significant.

However, WELL Health has several catalysts on the horizon that could unlock value for shareholders in 2021. For one, it has plenty of dry powder (read: cash) on its balance sheet to acquire more companies and expand its operations. At the time of writing, the company has \$83 million in cash on its books and very little debt.

A bigger catalyst is the company's entry into the United States this year. The acquisition of Circle Medical was completed a few months ago and gives the WELL Health team plenty of headroom to expand its footprint in the world's most important healthcare market.

These catalysts make WELL Health an ideal growth stock for 2021.

Growth stock #2

Goodfood Market's ([TSX:FOOD](#)) ability to outperform the broader market became clear in 2020. The stock rallied by more than 300%, as it benefited from the growing demand for online grocery services.

With lockdowns in place, the platform quickly became a firm favourite for customers. Its customer base grew significantly as most people opted for online shopping and cooking at home. Fast forward to 2021, and the stock has taken a significant hit, tanking by more than 50% from its all-time highs. The

correction arguably makes this stock more attractive for growth investors.

In the most recent quarter, the meal kit company delivered 71% year-over-year growth in sales that crossed the \$100 million mark for the first time. Sales topped analysts' estimates, affirming the company's services continue to resonate well with consumers, even as COVID-19 fears dissipate.

The market expects its sales to grow by 34% in 2021. The sales growth trend could be better given that many people still opt to cook fresh food at home rather than go out dining. Lower shipping and packaging unit costs should continue to cushion Goodfood Market margins.

After the recent correction lower, [Goodfood Market is highly undervalued](#). The stock is cheap given its price-to-sales multiple of 1.49 and price-to-book multiple of 4.60. This team has built robust infrastructure and brand awareness that position it for tremendous growth.

That's what makes Goodfood Market yet another ideal growth stock for investors in 2021.

Bottom line

The best time to get greedy is when everyone else is fearful. Tech and growth stocks face tremendous fear right now, which has compressed valuations. Stocks like WELL Health and Goodfood Market should be on every bargain-hungry growth investor's radar for 2021.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. TSX:WELL (WELL Health Technologies Corp.)

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Author

vraisinghani

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