3 Top Canadian Stocks That Could Double Your Investments

Description

The Canadian equity markets are trading close to their all-time highs amid improved corporate earnings, higher commodity prices, and expectations of demand recovery. Despite the surge, here are three Canadian stocks that can double your investments over the next three years, given the favourable industry trends and healthy growth prospects.

WELL Health

Supported by its strategic acquisitions and organic growth, **WELL Health Technologies** (TSX:WELL) had delivered a solid first-quarter performance last month. Its top line grew by 150% on a year-over-year basis to $25.6 million, while its adjusted EBITDA came in the positive territory for the second consecutive quarter at $1.1 million.

Subsequent to the quarter, the company completed the acquisition of CRH Medical, ExecHealth, and IntraHealth. Along with these acquisitions, the increased adoption of telehealthcare services could drive the company's financials in the coming quarters. CRH Medical could post revenue and adjusted EBITDA of US$150 million and US$60 million this year. So, these acquisitions could also improve the company's profitability.

Besides, WELL Health has also strengthened its financial position by raising US$300 million through various debt facilities in April. So, the company is well positioned to continue with its M&A activities in the coming quarters. Given its healthy growth prospects and favourable industry trend, WELL Health's stock price could deliver superior returns over the next three years.

Suncor Energy

Amid the recovery in demand, oil prices have increased by over 40% this year. Meanwhile, industry experts are projecting oil prices to reach US$80 per barrel later this year amid improving economic activities due to the gradual reopening of the economy. Higher oil prices could benefit oil-producing companies, such as **Suncor Energy** (TSX:SU)(NYSE:SU). Given its integrated business model and long-life, low-decline assets, the company is well equipped to benefit from rising oil prices.

Further, Suncor Energy's management expects its production and refinery utilization rate to improve this year. Amid its cost-cutting initiatives, its expenses could fall. So, higher realization price and improvement in operating metrics could drive the company's financials and, in turn, its stock price in the coming quarters. Meanwhile, the company is currently trading at an attractive valuation, with its price-to-book and forward price-to-earnings multiples standing at 1.3 and 17.5.

Air Canada

Air Canada (TSX:AC) is going through a challenging period amid the pandemic-infused travel restrictions. In the March-ending quarter, its top line declined by 80% on a year-over-year basis while incurring an operating loss of $1.05 billion. The company burnt $1.27 billion of cash at a rate of $14 million per day. Despite the near-term headwinds, the company's long-term outlook looks healthy.

Air Canada's cargo vertical continued to deliver strong performance. Amid the rising demand, the company has planned to add two Boeing 767 aircraft this year, expanding its operation to international routes. The company's cost-cutting initiatives could bring its losses down. Meanwhile, the financial support of $5.9 billion from the Canadian government has strengthened its balance sheet.

Further, the widespread vaccination and decline of COVID-19 cases could prompt governments worldwide to ease travel restrictions, thus driving passenger demand. Air Canada is well equipped to bounce back quicker than its peers because of its high market share, strong balance sheet, and cost-cutting initiatives. Given the significant discount on its stock price and attractive valuation, I believe Air Canada offers an excellent buying opportunity.

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