3 Canadian Growth Stocks to Buy Right Now

Description

Growth stocks can boost your long-term total returns, especially if you buy them during substantial corrections. Here are three growth stocks that have delivered strong results through the coronavirus pandemic and could allow investors to retire sooner.

Growth stock Goodfood Market

The coronavirus triggered faster growth at **Goodfood Market** (TSX:FOOD). The growth stock was a four-bagger in 2020. A percentage of consumers shifted to its convenient and delicious meal-kit delivery service to avoid crowded supermarkets during the coronavirus pandemic.

The shift could be permanent. Using Goodfood's services, consumers don't have to think about what to cook anymore. Goodfood provides new recipes every week based on local fresh ingredients available. As a result, its customers can look forward to an interesting cooking and eating experience because they're always making something different.

The company is still growing at a high rate; its revenues rose 55% in the last 12 months to almost $384 million. Last week, it reported record quarterly revenues of nearly $108 million, up 24% year over year.

Its first automated fulfillment centre in Ottawa and the recent launch of its mobile app can drive more growth down the road. The reception of the app has been positive thus far with a rating of 4.7 out of 5.

After a superb rally in 2020, the growth stock dropped as much as 50%. FOOD stock has recovered meaningfully from the bottom, which indicates a turnaround of the stock is in progress.

Buy Tecsys for growth

Tecsys (TSX:TCS) could be an even better growth stock to buy now as it appears to have just begun rising after a major correction followed by some consolidation. The supply chain management software company continued to grow through the pandemic. Specifically, it has experienced revenue growth for nine consecutive quarters.

As a result of continued revenue growth last year, the growth stock more than doubled last year. The stock continued to rally through February but was sold off along with other growth stocks after that.

The more than 7% pop yesterday indicates that the stock is cheap. Last month, the company reported its fiscal 2021 results. Its expanding software as a service (SaaS) revenue is improving the quality of its top line. The growth resulted from a mix of new customers and existing accounts.

Its SaaS revenue climbed 113% and now contributes about 36% of its total cloud maintenance and subscription revenue, up from 22% versus fiscal 2020.

A return to its previous height implies an upside potential of about 44% from current levels.

A growth stock in the REIT space

Canadian Net REIT (TSXV:NET.UN) is a growth stock among real estate investment trusts (REITs). The REIT's funds-from-operations (FFO) growth was about 18.5% per year over the past five years. Primarily, its growth comes from an expanding portfolio. The REIT currently has about 84 properties, including interests of 12 that were acquired this year.

The high insider ownership of about 15% is a driver for insiders to make decisions in the interest of long-term shareholders.

Last year, it boosted net operating income by 38%, FFO per unit by 18%, and its cash distribution by 15%. Its FFO payout ratio is also low for a REIT at 54%, which provides a big margin of safety for its dividend as well as room for dividend growth.

The growth stock is fairly priced today. A nice dividend yield of about 3.8% combined with its above-average growth should lead to market outperformance.

The Foolish investor takeaway

Investing in these Canadian growth stocks can help you retire sooner. So, consider buying Goodfood Market, Tecsys, and Canadian Net REIT today.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. TSX:TCS (Tecsys Inc.)
3. TSXV:NET.UN (Canadian Net Real Estate Investment Trust)

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