3 Top Canadian Stocks to Buy and Hold for the Next 10 Years

Description

Investors can create a substantial fortune by investing over a longer period. This strategy would mitigate the risk of short-term fluctuations while allowing the investments more time to harness the power of compounding. Meanwhile, investors should be careful in identifying suitable stocks before making any investment decision. If you are ready to invest, here are three top Canadian stocks that you can buy and hold for the next 10 years.

WELL Health

First on my list is **WELL Health Technologies** (TSX:WELL), a tech-enabled healthcare company. Since going public in April 2016, the company has returned over 6,500%. Meanwhile, the uptrend could continue, given its healthy growth prospects, improving financials, and accretive acquisitions. In its recently reported second quarter, its revenue grew 484%, while its adjusted EBITDA came in at $11.9 million compared to an adjusted loss of $0.5 million in the previous year's quarter.

WELL Health had recently acquired CRH, MyHealth, Intrahealth Systems, ExecHealth, and a 51% stake in Doctors Services Group. These acquisitions have increased its annualized revenue and EBITDA run-rate to $400 million and $100 million, respectively. The increased adoption of virtual healthcare services could also boost the company's financials in the coming years.

Additionally, WELL Health has raised around $300 million through various debt facilities, thus allowing it to continue with its future acquisitions. So, given its healthy growth prospects, I believe WELL Health would be an excellent long-term bet.

Lightspeed

Lightspeed (TSX:LSPD)(NYSE:LSPD) is my second pick. Amid the pandemic, more businesses are looking to increase their digital presence. Along with this transition, the increased adoption of online shopping has created a long-term growth potential for the company. Meanwhile, the company is focusing on launching new products to expand its customer base and increase its average revenue per customer. The company is also expanding its footprint geographically. It recently launched its payments service in Germany, Switzerland, France, Belgium, and the Netherlands.

Along with organic growth, Lightspeed has also adopted an aggressive acquisition strategy to boost its financials. It has acquired Upserve, Vend, and NuORDER this year while working on closing the Ecwid deal. It also recently raised around US$716 million through new equity offerings. The net proceeds could strengthen its financial position, thus allowing it to pursue its growth initiatives. So, given its aggressive acquisition strategy, innovation, and favourable industry trend, I am bullish on Lightspeed.

goeasy

My final pick is **goeasy** (TSX:GSY). The sub-prime lender has delivered impressive returns over the last 20 years, thanks to its solid fundamentals. Since 2001, its top line has grown at a CAGR of 12.8%, while its adjusted EPS has grown at a CAGR of 24.9%. Despite posting substantial growth in the last two decades, the company has acquired just 3% of its addressable market (loans under $50,000). So, the company has significant scope for expansion.

Meanwhile, the improvement in economic activities amid an easing of restrictions could increase the demand for goeasy's services. The company is expanding its product offerings, venturing into new markets, and developing new distribution channels to boost its financials. Additionally, the acquisition of LendCare has added new business verticals and improved its risk profile.

The company also rewards its shareholders by raising its dividends at a healthier rate. Over the last seven years, it has increased the same at a CAGR of 34%. So, I expect goeasy to continue outperforming the broader equity markets over the next 10 years.

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1. Bank Stocks
2. Investing
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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:GSY (goeasy Ltd.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:WELL (WELL Health Technologies Corp.)

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