3 Growth Stocks That Could Yield 10X Returns

Description

Investing in growth stocks could speed up your journey towards financial independence. In addition, growth stocks tend to be at the forefront of innovation, making it more exciting to follow those companies. However, choosing the right growth stocks can be difficult. It's tough to discern which companies are really pushing into new frontiers and which companies are riding temporary trends. In this article, I'll discuss three growth stocks that could yield 10X returns.

The pandemic has given this industry tonnes of attention

Over the course of the pandemic, many Canadians have needed to find new ways of seeking medical attention without putting themselves at risk of being infected by COVID-19. One way that many Canadians addressed that was by turning to telehealth services. This massive shift towards online medical care greatly benefited companies like **WELL Health Technologies** (TSX:WELL).

For those that are unfamiliar, WELL Health operates 74 primary health clinics in Canada, with an additional two clinics in the United States. There are over 2,800 clinics on its EMR network. In Q2 2021, WELL Health saw more than 559,000 omnichannel patient visits. The telehealth industry is forecasted to grow at a CAGR of 26.5% from 2021 to 2026. If that happens, then WELL Health's more than 400% gain in 2020 might look miniscule in the future.

The e-commerce industry will push this company forward

If I were told to choose one industry that I think has the most appealing risk-to-reward ratio, it would be the e-commerce industry. Over the past decade, consumers have slowly adopted online shopping into their everyday lives. In 2019, e-commerce sales represented about 4% of all Canadian retail sales. However, the pandemic caused consumers to consider shopping online for many things they previously hadn't before, including groceries. This caused e-commerce to nearly triple, as it accounted for 11% of all Canadian retail sales in 2020.

As online shopping continues to grow in Canada, companies like **Goodfood Market** (TSX:FOOD) should continue to experience massive growth in revenue. In fact, Goodfood's revenue growth has been nothing short of spectacular. In 2017, the company reported $20 million in total revenue. Over 2019, the company managed to accumulate $161 million in total revenue. Now, over the past 12 months, Goodfood's revenue stands at $384 million. This is an excellent stock with a lot of growth ahead.

Following an industry legend

It's rare for a smaller growth company to be able closely alongside a legend in its industry. However, that's the case with **Topicus.com** (TSXV:TOI). Until this past February, Topicus had been a subsidiary of **Constellation Software**. Now, it operates as its own entity. However, Constellation is still very present in its day-to-day operations. Six members of the Topicus board of directors are executives from the former parent company.

In addition, Constellation holds a very large ownership stake in the company. This will incentivize the larger company to help Topicus succeed. Topicus is also in an excellent position for growth given the highly fragmented nature of the European tech industry. If the company can quickly learn from Constellation and avoid some of the same mistakes it made early on, this company has a chance to grow significantly over the next decade.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:FOOD (Goodfood Market)
3. TSX:WELL (WELL Health Technologies Corp.)
4. TSXV:TOI (Topicus.Com Inc.)

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