



3 Small-Cap Stocks That Could Be Big Winners

Description

Motley Fool co-founder Tom Gardner recently stated that one trait of [an A+ growth portfolio](#) is that it leans towards small-cap stocks. Although small-cap stocks may be too risky for many individuals, I believe that all investors should allocate a certain portion of their portfolio to these [potential home-run stocks](#). However, that doesn't mean investors should just throw their money at all the small-cap stocks they find. The key is picking the right stocks to invest in. Here are three small-cap stocks that could be big winners.

A different take on the e-commerce industry

Those familiar with my writing will know that I am very bullish on the e-commerce industry. Thus, companies like **Shopify** and **Nuvei** are frequent topics of discussion in my portfolio. However, since both companies are valued well over a market cap of \$5 billion, neither will qualify here. However, **Goodfood Market** ([TSX:FOOD](#)), which has a valuation of about \$670 million, certainly does. This company also provides investors with another way to invest in the growing e-commerce industry.

Goodfood Market is an online grocery and meal kit company. It's estimated that the company holds 40-45% of the Canadian meal kit industry. As of this writing, Goodfood offers about 1,000 products to its customers. As it continues to increase its product offering, investors could see a rise in its market share. Since the start of 2020, Goodfood stock has gained about 180%. This is a company poised to grow in the coming years.

You can now visit your doctor from anywhere

Being able to visit your doctor whenever you want is one of the greatest things about being Canadian. It gives us the opportunity to seek medical attention when citizens of other countries may not be able to. However, now Canadians have the opportunity to see their doctor *from wherever* they want. Companies like **WELL Health Technologies** ([TSX:WELL](#)) are offering telehealth solutions that haven't been widely popular for a very long time.

As of this writing, WELL Health operates 74 primary health clinics in Canada and two in the United States. In addition, there are more than 2,800 clinics connected on its EMR network. In Q2 2021, WELL Health saw nearly 560,000 patient visits. The telehealth industry is expected to grow at a CAGR of 26.5% from 2021 to 2026. If WELL Health can continue to grow at a rapid pace via an aggressive merger and acquisition strategy, investors could see massive gains from here.

One of my favourite small-cap stocks

A stock that I've recently added to my portfolio, **Topicus.com** ([TSXV:TOI](#)), could be a huge winner. What attracts me to this company is its close ties to **Constellation Software**. While some investors may think that its reliance on another company may be a red flag, it's hard to dismiss the dominance that Constellation has shown in its industry over the past two decades. If Topicus can lean on that wealth of experience, investors could be in for great gains.

Like Constellation, Topicus is an acquirer of vertical market software companies. It differentiates itself by focusing on a highly fragmented European tech industry. This provides it with a vast acquisition landscape. In addition, there tends to be less venture capital pressure in Europe, compared to North America where more of Constellation Software's businesses tend to be located. With expert backing and a massive opportunity ahead, Topicus is one stock investors shouldn't miss.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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Date

2025/08/21

Date Created

2021/10/12

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