3 Innovative Growth Stocks That Could Make You Richer Through 2025

Description

If you are looking to invest in growth stocks, especially in the technology space, there is a good chance for companies to remain unprofitable in the near term. Several growth companies sacrifice profitability for scale and revenue growth. But there are a few companies that are both profitable and growing at an enviable pace.

Here, I am going to analyze three such growth stocks that Canadians can buy right now and generate outsized gains in 2021 and beyond. All three companies are improving profit margins at a healthy rate and are part of rapidly expanding addressable markets.

WELL Health Technologies

The first stock on my list is health-tech company **WELL Health Technologies** (TSX:WELL). Currently valued at a market cap of $1.36 billion, WELL stock has already returned 6,500% to investors in just over six years. Despite its stellar run, shares are also down 28% from all-time highs, allowing investors to buy the dip.

WELL Health's revenue growth and improving profitability on the back of highly accretive acquisitions have been key drivers of the stock's market-thumping returns. In fact, WELL Health sales have risen from just $414,000 in 2017 to $50.24 million in 2020. In the last 12 months, sales have increased to $117 million and are forecast to touch $461 million in 2022.

It will allow WELL Health to improve the bottom line from a loss per share of $0.03 in 2020 to earnings of $0.04 in 2022.

WELL Health has gained massive traction in the telehealth space over the last 18 months. Further, the stock is trading at an attractive valuation, making it a top contrarian bet at current multiples.

Nuvei

A fintech giant, **Nuvei** (TSX:NVEI) went public on the TSX last September. Since its IPO, the stock has more than tripled investor returns, valuing it at a market cap of $22.4 billion. It recently announced the acquisition of Paymentez, a fintech company with operations in Latin America, providing Nuvei with access to multiple growth markets.

In the second quarter of 2021, total payment volume on the Nuvei platform rose 146% year over year to $21.9 billion, up from $8.9 billion in the year-ago period. Its revenue rose 114% from $83.3 million to $178.2 million in this period, while net income almost tripled to $38.9 million. Adjusted EBITDA also grew 112% to $79.4 million while adjusted net income stood at $64.5 million, or $0.44 per share, compared to $16.3 million, or $0.18 per share.

Columbia Care

A cannabis company, **Columbia Care** (CNSX:CCHW) is a U.S-based multi-state operator that has 99 dispensaries, 31 cultivation facilities, and access to wholesale distribution in 13 markets. Valued at a market cap of $1.63 billion, Columbia Care is one of the biggest vertically integrated multi-state operators in the U.S.

Similar to most other marijuana producers, Columbia Care also aims to gain market share by growing through acquisitions and focusing on markets where competition is limited due to license controls.

Despite growing revenue at a decent clip, Columbia Care stock is down 41% year to date and trading 53% below all-time highs.

The Foolish takeaway

The three companies have shown they can grow at a steady pace, even in the upcoming quarters. Each of the companies has secular tailwinds and near-term catalysts that will power revenue and earnings growth over the next few years.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. CNSX:CCHW (Columbia Care)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:WELL (WELL Health Technologies Corp.)

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Date
2025/07/21
Date Created
2021/10/13
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