



4 Top Small-Cap Stocks to Buy Right Now

Description

Small-cap stocks have significant scope for expansion. So, they have the potential to deliver higher returns. However, these stocks could be susceptible to market volatilities and are riskier than large- and mid-cap stocks. So, investors with higher risk-tolerance ability and a longer investment horizon can buy these stocks. With equity markets trading at their peaks, here are four top small-cap stocks you can buy right now.

Goodfood Market

After delivering impressive returns of over 160% last year, **Goodfood Market** ([TSX:FOOD](#)) is under pressure this year, with its stock value losing over 32% for this year. Meanwhile, the correction offers an excellent entry point for long-term investors, given the growing adoption of online grocery services.

The expansion of product offerings, strengthening of its production capabilities, growing customer base, investment to boost its last-mile delivery capabilities, and geographical expansion augur well with Goodfood Market's growth. The company has also joined hands with **Microsoft** to develop a customized solution to process customer orders faster and cost effectively. It has also launched a new mobile app to increase customer engagements and interactions. So, given its healthy growth prospects and a significant discount on its stock price, [I am bullish on Goodfood Market](#).

HEXO

Second on my list is **HEXO** ([TSX:HEXO](#))([NASDAQ:HEXO](#)), which has lost close to 80% of its stock value from its February highs. The fear of dilution due to a new equity offering of US\$144.8 million and lower-than-expected third-quarter earnings appear to have dragged the company's stock price down. However, the company's growth prospects look healthy amid the expansion of the cannabis market due to increased legalization.

Further, the acquisition of Zenabis, 48North Cannabis, and Redecan has strengthened HEXO's competitive positioning in the Canadian recreational cannabis space. The synergy between these

companies can deliver significant savings, thus boosting HEXO's margins in the coming quarters. So, Hexo would be an excellent bet for investors with a three-year or more investment horizon.

WELL Health

WELL Health Technologies ([TSX:WELL](#)) has been one of the top performers over the last three years, with its stock price appreciating around 1,340%. Its aggressive acquisition strategy and strong financials have driven the company's financials and stock price higher. Meanwhile, I expect its growth to continue amid the increased adoption of telehealthcare services and its continued acquisitions.

Meanwhile, WELL Health is investing in and advancing its digital assets to enhance patients' experience. The company has expanded its presence in the United States by acquiring CRH Medical and [a significant stake in WISP](#), which specializes in women's health. Despite its healthy growth prospects, the company is trading around 30% lower from its January highs. So, long-term investors could utilize the pullback to accumulate the stock for superior returns.

Pizza Pizza Royalty

My final pick would be **Pizza Pizza Royalty** ([TSX:PZA](#)). Through its franchisees, it operates Pizza Pizza and Pizza 73 Rights and Marks brand restaurants. With the easing of restrictions, the company has reopened its dining spaces and non-traditional restaurants. Also, the continued strong performance from its digital channels and opening of new restaurants could boost the company's financials in the coming quarters.

Further, Pizza Pizza had raised its monthly dividends by 9% to \$0.06 per share in August. The raising of dividends shows the management's confidence in its future cash flows. Meanwhile, its forward dividend yield currently stands at a healthy 6.16%. So, Pizza Pizza could be an excellent addition to your portfolio.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:HEXO (HEXO Corp.)
2. TSX:FOOD (Goodfood Market)
3. TSX:HEXO (HEXO Corp.)
4. TSX:PZA (Pizza Pizza Royalty Corp.)
5. TSX:WELL (WELL Health Technologies Corp.)

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