5 TSX Stocks for the Next 5 Years

Description

Though the near-term investment picture may be imperfect due to the COVID-19 uncertainty, the long-term outlook remains bright. The ongoing economic expansion, solid recovery in corporate earnings growth, and higher consumer demand indicate that equities will likely deliver stellar returns in the long term.

With multiple stocks benefitting from secular industry trends and improving operating environment, here's my list of five **TSX** stocks that could deliver higher returns over the next five years and could handily beat the **TSX 60 Index**. Let's take a look.

Tech stocks are a must-have

Speaking of higher returns, Canadian tech stocks are a must-have in your portfolio, as they will likely outperform the benchmark index in the coming years. The ongoing shift towards the digital economy and increased spending on cybersecurity, e-commerce, telehealth, e-learning, and cloud computing provide a multi-year growth opportunity for tech companies.

While **Shopify** stock is an obvious choice to ride the digital wave, let's look beyond Shopify and discuss stocks that could deliver equally good returns in the coming years.

Top tech stocks

Let's begin with **BlackBerry** (TSX:BB)(NYSE:BB). My bullish outlook on BlackBerry is due to its growing addressable market and multi-year growth opportunities stemming from the automotive market's ongoing electrification and automation trends. Further, the higher spending on cybersecurity threats bodes well for future growth.

BlackBerry forecasts its addressable market to expand to $89 billion by 2025. Meanwhile, its higher average revenue per user, design wins, strong recurring revenues, and margin expansion will likely support its growth.

Along with BlackBerry, I am confident about **Nuvei** (TSX:NVEI) stock. This financial technology company will benefit from the strength in the adoption rate of digital payments. Further, Nuvei's focus on the high-growth verticals, including social gaming, and merchant acquisitions, will likely drive its stock price higher. Also, its global expansion and robust innovation pipeline bode well for future growth.

Continuing with my top picks, **Docebo** (TSX:DCBO)(NASDAQ:DCBO) is another tech stock worth investing in. Its fast-growing customer base, increased deal size, higher net dollar retention rate, and expansion of addressable market indicate that Docebo will likely deliver stellar returns in the coming years.

Within the tech space, **WELL Health Technologies** (TSX:WELL) is another bet worth considering. The growing adoption of telehealth services, its dominant positioning in the Canadian market, strategic acquisitions, and expansion in high-growth markets position it well to deliver stellar returns in the long term. WELL Health stock has corrected a lot from its peak and looks attractive at current price levels.

A high-growth financial stock

With the economic expansion and an uptick in credit demand, shares of the subprime lender **goeasy** (TSX:GSY) will likely outperform the broader markets. Notably, its stock has delivered multi-fold returns on the back of its solid financial and operating performances. Furthermore, it has raised its dividends rapidly, thus boosting the overall returns of its shareholders.

Looking ahead, I expect goeasy to gain from higher loan originations and strong payments volumes. Meanwhile, product expansion, the addition of newer channels, increased penetration of secured loans, and strategic acquisitions will likely accelerate its growth, and, in turn, drive its share price higher.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:DCBO (Docebo Inc.)
5. TSX:GSY (goeasy Ltd.)
6. TSX:NVEI (Nuvei Corporation)
7. TSX:WELL (WELL Health Technologies Corp.)

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