



3 Top Canadian Stocks to Buy Amid the Recent Pullback

Description

The improving corporate earnings appear to have raised investors' confidence, driving the Canadian equity market higher. The Canadian benchmark index, the **S&P/TSX Composite Index**, rose 7.8% since the beginning of the fourth quarter. However, the following three Canadian high-growth stocks have witnessed a significant selloff during this period amid the concerns over rising inflation and bond yields. Meanwhile, the long-term growth prospects of these three companies still remain intact. So, the correction provides an excellent entry point for long-term investors.

Nuvei

Amid the recent selloff in tech stocks, **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) has lost 13.2% of its stock value in this quarter and trades at a 30% discount from its September highs. Meanwhile, the company's fundamentals are still strong, given the rising popularity of digital transactions due to increased online shopping adoption. In its recently reported third-quarter performance, its transactions grew by 88% to \$21.6 billion, while e-commerce represented 83% of the volume growth.

The addition of new alternative payment methods to its portfolio, geographical expansion of its services, and acquisition of Simplex and Paymentez boosted its transactions. Its adjusted EBITDA and adjusted EPS increased by 97% and 147%, respectively. Meanwhile, the uptrend in Nuvei's financials could continue. It recently received the [license to service online betting and iGaming operators](#) in Connecticut. Also, its recent partnership with some of the leading players in the industry could strengthen its position in the U.S. sports betting and iGaming space.

With around \$288 million of cash on its books, Nuvei is well-equipped to fund its growth initiatives and strategic acquisitions. So, Nuvei could be an excellent addition to your portfolio.

WELL Health

Another tech stock that has witnessed a significant selloff is **WELL Health Technologies** ([TSX:WELL](#)). Since the beginning of this quarter, it has lost 11% of its stock value and trades 36% lower than its

February highs. However, I believe the correction offers an excellent entry point for long-term investors amid the growing adoption of telehealthcare services and its improving financials.

In the recently reported quarter, WELL Health's revenue grew by 711% to \$99.3 million, driven by the acquisition of CRH Medical and MyHealth Partners and strong revenue growth from its virtual services. Its adjusted EBITDA also increased from a loss of \$0.2 million in the previous year's quarter to \$22.3 million in profits. It was a fourth consecutive quarter of positive adjusted EBITDA, as its aggressive expansion strategy began to pay off.

Amid its continued acquisitions, WELL Health's management expects to end this year with an annualized revenue and adjusted EBITDA run-rate of \$450 million and \$100 million, respectively. So, given its healthy growth prospects, [I am bullish on WELL Health](#).

Cargojet

Cargojet ([TSX:CJT](#)) has lost 11.6% of its stock value this quarter amid the announcement of lower-than-anticipated third-quarter earnings. Its revenue came in at \$189.5 million for the quarter, outperforming analysts' expectations of \$177.4 million. However, it posted a loss per share of \$0.74, against analysts' expectations of earnings per share of \$1.31. The increased expenses due to higher fuel prices and crew costs weighed on the company's margins.

However, Cargojet's fundamentals are strong amid continued e-commerce growth and its competitive advantage. Meanwhile, the company enjoys a substantial share in the domestic air cargo volumes, given its unique overnight delivery service and a solid domestic network that connects 15 Canadian cities.

Also, it earns a higher percentage of revenue from long-term contracts, which is encouraging. Notably, it looks to expand its fleet size and has signed a deal to acquire three 767 aircraft, which could join the fleet next year. So, given its healthy growth prospects, investors should utilize the correction to accumulate the stock to earn superior returns.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:CJT (Cargojet Inc.)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:WELL (WELL Health Technologies Corp.)

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Date

2025/08/20

Date Created

2021/11/19

Author

rnanjapla

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