TSX Newcomers That Should Be on Your Scope

Description

Every year, several companies join the **TSX** or one of the other stock markets here in Canada. Some of them get a lot of limelight and investor attention; others hardly get any. But many of these companies do come under investors' radars based on their merit and potential. And buying these companies right around the beginning, when they are usually most affordable, can be a great way to capitalize on the full potential these stocks have to offer.

Not all startups end up becoming **Shopify**, but even if one out of 10 (in your portfolio) do, the overall gains might rival or exceed the growth offered by mature securities. With that in mind, there are three companies listed in 2021 that should be on your radar.

A power sports vehicle manufacturer

Taiga Motors (TSX:TIAG) joined the TSX in April 2021. There was a decent amount of hype around the company, and it ended up closing the day with its shares trading above $13. The stock has come down a long way since then, and the company is currently trading at $7.9 per share, and the market cap is around $248 million. It would be too soon to say if that's as low as the company is going to go or not.

The company is trying to enter the "green" power sports market, with 100% electric-powered watercraft and snowmobiles. It's an innovator in this space, which gives it both the early bird advantage, but it also means it will have to make most of the first mistakes and solve problems like fuel portability and the faster discharge rate of cold batteries.

A virtual healthcare and telemedicine company

Dialogue Healthcare (TSX:CARE) is quite new, and not just on TSX. The company was founded in 2016, and it too joined the TSX at a much higher valuation than it could sustain for a long time. It's currently trading at a price that's 52% down from its inception point, and that's *after* the 40% growth the company just experienced.

Dialogue Healthcare is entering a market that offers much better potential. Its integrated platform allows people to manage all the health benefits on one platform and is used by companies to make navigating healthcare easier for their employees. It has a subscription-based pricing model, where it charges a company per employee per month, and if it manages to secure a few decent contracts with large organizations, it might build very reliable revenue streams.

A software company

Softchoice (TSX:SFTC) is a mature company that finally decided to go public, and the difference between its stock pattern and of the other two companies is quite apparent. Where the two stocks above started going downhill right from inception, Softchoice grew about 89% in fewer than four months before normalizing. Right now, it's trading quite near the value it started from. Its market capitalization is at $1.4 billion.

Softchoice has been around for over three decades. It offers a wide range of software solutions, including cloud migration, networking, IT asset management, and digital workplaces. The number of customers and active accounts the company has exceeds 8,700, and it earned over $1.7 billion in gross sales in 2020 alone.

Foolish takeaway

Out of the three, Softchoice seems like the smartest buy-and-hold investment. Dialogue Healthcare has the potential to pay off huge if telemedicine and virtual healthcare becomes more mainstream, which could happen within the decade. Taiga might be a risky but potentially highly rewarding investment *if* it pays off. All three can prove to be great growth stocks, albeit at different timelines.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:CARE (Dialogue Health Technologies)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothman
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date
2025/10/01
Date Created
2021/11/25
Author
adamothman