



The 3 Best Canadian Stocks to Buy in December 2021

Description

With recent news about another COVID-19 variant, Canadian stocks have taken a slight [pullback](#). You can participate with the panicked sellers, or you can be opportunistic and buy stocks while they are trading at a discount.

Are you looking for some Canadian stocks with both current and long-term growth prospects? Here are three top Canadian stocks you can buy in December and hold in 2022 and long beyond.

Andlauer: A leader in niche transportation

The first Canadian stock is **Andlauer Healthcare Group** ([TSX:AND](#)). While this \$1.99 billion company only listed in late 2019, it is up 144% since then. It operates Canada's only nationwide transportation network specifically designed for the healthcare sector. It has contracts with most of the largest pharmaceutical and health science services in the country.

While COVID-19 vaccine distribution does not make up a huge part of its business, it still is a positive windfall. The company has also been expanding its network into the U.S., which is looking like an entirely new growth vertical.

Andlauer has been growing annually by about 10%. However, it produces really attractive +20% EBITDA margins. For a transportation business, that is impressive profitability. For a steady, consistent compounding stock with a strong competitive moat, this is a great Canadian stock to buy in December.

Canadian Pacific Railway: A great blue-chip stock

Another vital transportation business is **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)). After some of the flooding events in British Columbia, its stock has pulled back by around 6%. A recent analyst downgrade by Deutsche Bank also has not helped the stock.

The analyst was concerned that CP's recent \$8.45 billion debt offering to fund the potential merger with **Kansas City Southern**

could put pressure on long-term earnings results. Certainly, that is something investors ought to watch. However, the financing was done at incredibly low, staggered interest rates of between 1% and 3%. Certainly, it is a lot of debt, but this is relatively cheap money to fund the acquisition.

The KCS deal gives CP a strong competitive position with a continuous line across Canada, the United States, and Mexico. Likewise, CP's CEO, Keith Creel, has been an expert at unlocking efficiencies and synergies. Mexico just [approved the deal](#), so the merger is making steady progress towards completion. If CP is able to execute well, this deal should help it accrete high single-digit annual returns for many years ahead.

Descartes Systems: A top Canadian tech stock

Keeping the transportation theme alive, **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) is an interesting technology play on the sector. Descartes provides networks and software services for the global logistics industry. It provides software for everything from routing to compliance to e-commerce/fulfillment management.

In a time where supply chain challenges are hampering businesses, Descartes services are ever in demand. The company has been growing EBITDA by about 20% a year for the past five years. However, both revenue and profitability have been accelerating this year. Its services become essential to businesses once adopted. Consequently, it has very low customer churn and revenues are very sticky.

While this Canadian technology stock is not cheap, it is a very high-quality growth business. Descartes has zero debt, a lot of cash, and tons of optionality on where it can grow. For that, it is one of my top [growth stock](#) picks for December and years ahead.

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3. TSX:AND (Andlauer Healthcare Group Inc.)
4. TSX:CP (Canadian Pacific Railway)
5. TSX:DSG (The Descartes Systems Group Inc)

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