2 Cheap TSX Stocks to Buy for December 2021

Description

It goes without saying that excellent growth stocks tend to become expensive as they grow. However, that doesn't mean that all quality growth stocks are very expensive. In fact, some excellent growth stocks can trade under $5 a share. That's vastly cheaper than popular stocks like **Shopify** and **Constellation Software**. In this article, I'll discuss two cheap **TSX** stocks to buy in December 2021.

An e-commerce play to consider

It's widely believed that the e-commerce industry will continue to grow at a rapid pace over the next decade. Because of this, companies that lead the industry are poised to grow at impressive rates for the foreseeable future. Within the online grocery and meal kit market, I believe **Goodfood Market** (TSX:FOOD) has a clear path to dominance. Currently, it's estimated that the company holds a 40-45% share of the Canadian meal kit industry. If it can continue growing rapidly, investors could see that market share shoot up.

Goodfood is a very interesting stock. Looking at its business, there's a lot to like. The company's revenue has increased at a staggering rate. In fiscal year 2017, Goodfood reported $20 million in sales. At that time, the company only offered meal kits and had no grocery SKUs. In fiscal year 2021, Goodfood recorded $379 million in sales while offering more than 1,000 grocery SKUs. The company has also expanded into the ready-to-eat meal category.

Goodfood is also growing its infrastructure. This year, the company has 13 facilities across Canada compared to only one facility in 2017. This allows Goodfood to offer its services to a larger number of customers across the country. Despite all this growth, Goodfood stock has fallen about 65% year to date. This is likely due to institutional investors locking in profits over the past year. The months of December, January, and February tend to be very strong for Goodfood. Investors should take this opportunity to load up on shares.

For those looking for a home-run stock

If you're able to stomach a lot of volatility, then consider starting a position in **WELL Health Technologies** (TSX:WELL). The company operates 75 primary health clinics in Canada and two in the United States. It also has an online marketplace where healthcare providers can purchase apps to optimize their healthcare offerings. Currently, 36 apps are supported by WELL Health's apps.health platform. Finally, more than 2,800 clinics are supported by the company's EMR network.

WELL Health is a leading player in the Canadian telehealth industry. It's expected that the global telehealth industry can grow at a CAGR of 32.1% from 2021 to 2028. If that's true, then leading companies like WELL Health could see massive growth. Year to date, WELL Health is down about 37%. However, the company has a strong history of outperformance. In the three years leading to its graduation to the TSX, it was listed among the top 50 performers on the **TSXV**.

WELL Health stock may be trading cheaply today, but it could be much more expensive by the end of the decade.

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