3 Future Stocks to Buy for the Rest of This Decade

Description

Canadian investors should focus on targeting companies that have had success in future-oriented industries. Technology stocks dominated U.S. markets in the 2010s. Healthcare stocks, which have been bolstered by new tech and an aging population, were not far behind. Today, I want to zero in on three future stocks that are worth holding in your portfolio in the 2020s.

Here's why you should bet on automation in the 2020s

ATS Automation (TSX:ATA) is the first future stock I'd suggest for investors as we jump into the new year. This Cambridge-based company provides automation solutions to a global client base. Its shares have soared 129% in 2021 as of close on December 30.

Earlier this year, *Fortune Business Insights* released a market report on the factory automation space. It projected that the global industrial automation market will reach $355 billion by 2028. That would represent a CAGR of 9.2% over the forecast period dating from 2021 onward. Investors should be eager to buy future stocks in this market.

This company released its second-quarter fiscal 2022 earnings on November 3. Revenues increased 55% year over year to $522 million. Meanwhile, adjusted EBITDA was reported at $83.3 million — up from $49.6 million in the second quarter of fiscal 2021. Moreover, adjusted basic earnings per share came in at $0.53 — up from $0.26 in the previous year. Its order backlog increased 35% to $1.29 billion.

Shares of this future stock possess a price-to-earnings (P/E) ratio of 41. That puts ATS Automation in favourable value territory compared to its industry peers.

This future stock can win big as the population ages

Savaria (TSX:SIS) is a Laval-based company that provides accessibility solutions for the elderly and physically challenged peoples in Canada and around the world. This future stock has increased 31% in the year-to-date period at the time of this writing. However, its shares have dipped 4.3% over the past six months. In February, Grand View Research projected that the global personal mobility devices market would deliver a CAGR of 5.8% from 2021 through to 2028.

The company unveiled its third-quarter 2021 earnings on November 10. Revenues increased 99% year over year to $180 million. It was greatly by the acquisition of Handicare. Meanwhile, adjusted EBITDA climbed 55% to $26.3 million.

This future stock last had a P/E ratio of 40, which puts Savaria in solid value territory compared to its competitors in this space. Moreover, Savaria offers a monthly dividend of $0.042 per share. This represents a 2.6% yield.

Why BlackBerry qualifies as a super future stock

BlackBerry (TSX:BB)(NYSE:BB) is the last future stock I'd recommend on the final day of 2021. The Waterloo-based company has transitioned from hardware to software. It now focuses on cybersecurity and automotive software, two industries that are growing fast. Shares of BlackBerry have climbed 43% in 2021. However, it owes much of this progress to the short-squeeze mania that erupted in late January. BlackBerry also gained a second leg in late May.

The company boasts exposure to some very promising spaces, but the competition is intense. BlackBerry has a lot to prove in the quarters and years ahead, as it hopes to carve out its own piece of a very promising pie. This future stock is worth taking a chance on in early 2022.

CATEGORY

1. Investing

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1. NYSE:BB (BlackBerry)
2. TSX:ATS (Ats)
3. TSX:BB (BlackBerry)
4. TSX:SIS (Savaria Corporation)

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Author
aocallaghan