3 Small-Cap Stocks to Buy Today

Description

If you're looking for home-run stocks, then you'll want to focus on small-cap stocks. Generally, these are stocks that are valued at $2 billion or lower. The reason you'll want to look at small-cap stocks for higher returns is because smaller companies are able to grow at a faster rate than larger companies. It's simply the law of large numbers. However, it's important to note that small-cap stocks are much more volatile. If that volatility is something you're able to stomach, then here are three small-cap stocks you should consider buying today.

This is an incredible dividend stock

Most investors may not think of a dividend stock as one that could potentially generate massive returns. However, **goeasy** (TSX:GSY) isn't like other dividend stocks. After the March 2020 market crash, goeasy stock went on to gain more than 650% in just over a year. This company operates two distinct business segments. First is easyfinancial, which provides high-interest loans to subprime lenders. Its second business segment is easyhome, which sells furniture and other home goods on a rent-to-own basis.

Given the nature of its business, it's very easy to see why goeasy stock would've skyrocketed during the pandemic. Despite all of the success this stock has shown in terms of capital appreciation, I believe its dividend is even more appealing. Since 2014, goeasy's quarterly dividend has grown from $0.085 per share to $0.91. That represents more than 10 times growth over that period and a CAGR of about 34.5%.

A company that aims to change the healthcare industry

If we learned anything over the course of the pandemic, it's that the healthcare industry really needs to change. As it stands, our healthcare system is very fragmented and not set up in a way that optimizes positive health outcomes. **WELL Health Technologies** (TSX:WELL) is on a mission to change that. It aims to improve patient experiences and health outcomes.

WELL Health plans to do this by operating primary health clinics and offering software solutions to other healthcare providers. As of this writing, WELL Health operates over 70 clinics across Canada and the United States. It also supports more than 2,800 clinics on its EMR network. Finally, WELL Health offers apps.health. This is an online marketplace where healthcare providers can obtain software solutions to help optimize their telehealth offerings.

The telehealth industry is poised to grow over the coming decades, and WELL Health figures to be a big player.

This company is an e-commerce innovator

Goodfood Market (TSX:FOOD) is a company that I've been watching very closely over the past couple years. It is an online grocery and meal kit company, with an estimated 40-45% share of the Canadian meal kit industry. Goodfood became a really popular stock in 2020, as investors noted that the company allowed consumers to purchase groceries from the comfort of their own homes.

Goodfood is a company with an outstanding track record with respect to growth. Over the past six years, it has gone from operating in a single province to all 10 Canadian provinces. The next step in its ambitious growth plans is to bring express deliveries to its major markets. This will allow consumers to receive their orders within 30 minutes. If Goodfood can pull this off, it could be a major step forward in the penetration of the online grocery market.

CATEGORY

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2. TSX:GSY (goeasy Ltd.)
3. TSX:WELL (WELL Health Technologies Corp.)

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Date
2025/08/21
Date Created
2022/03/21
Author
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