3 Growth Stocks Worth Buying if You Can Handle Volatility

Description

It's no secret that growth stocks can be volatile. You might've figured out that if you had looked at the one-year stock charts of some of the most popular growth stocks on the market. However, growth stocks tend to get even more volatile the smaller the company is. That's because smaller companies tend to have more obstacles that need to be overcome. The tradeoff there is that small-cap stocks tend to provide greater opportunities to generate massive returns.

That's why, if you're an investor that can handle more volatility in your portfolio, I believe you should focus on smaller growth stocks. In this article, I'll discuss three top stocks that investors should buy if they're willing to handle a bit more volatility.

An e-commerce stock for your portfolio

I strongly believe that the e-commerce industry will represent a much larger portion of the global retail industry by the end of the decade. That means that the companies that end up as bona fide leaders in the industry could see a lot of growth in the coming years. Although ecommerce is usually talked about in a general sense, there are certain areas in the industry that should receive more attention. For example, the online grocery industry deserves a second look by growth investors.

Of the companies operating in that space, my top pick is **Goodfood Market** (TSX:FOOD). It operates out of 17 facilities spread across 10 Canadian provinces. Goodfood Market's growth story has been nothing short of spectacular. Since 2016, the company's revenue has grown at a CAGR of 163%. Likewise, its subscriber base has grown at a CAGR of 151% over the same period. If Goodfood can bring express deliveries to its major service areas, the company could see an even greater boost to those numbers.

Digital payments will continue to grow

In order for the online retail industry to succeed, merchants will require some sort of payment processing software. There are a few very popular names that you could think of that provide that sort of service. However, **Nuvei** (TSX:NVEI)(NASDAQ:NVEI) stands out, in my opinion. It offers an omnichannel payments platform to merchants. Using its platform, merchants are able to accept online, mobile, in-store, and unattended payments. That ability to conglomerate all transactions should attract merchants.

Nuvei has been in the headlines since its first day of trading, when it set a record IPO among Canadian tech companies. Unfortunately, the company was hit by a short report last year, which halted its outstanding growth. Since then, the stock hasn't really recovered due to fears surrounding increasing interest rates, which have also affected the broader market. However, I strongly believe Nuvei could be a top stock by the end of the decade.

Don't count out the telehealth industry

Investors willing to explore the riskier waters of the growth stock space should consider buying shares of **WELL Health Technologies** (TSX:WELL). I don't think this stock is very risky per se; however, the telehealth industry is more or less an unproven area. It's true that the global healthcare industry needs to be revamped and optimized. However, telehealth is still a very new concept. It's unclear how the industry will look in a few years' time.

When it comes to WELL Health, investors will be investing in a top player in the Canadian telehealth industry. It supports more than 2,800 clinics on its platform. In addition, it offers 41 apps through its online marketplace. Finally, WELL Health operates three different virtual health business lines, giving it a solid foothold in the growing industry.

CATEGORY

1. Investing
2. Tech Stocks

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1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:FOOD (Goodfood Market)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:WELL (WELL Health Technologies Corp.)

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