3 Canadian Stocks to Buy That Could be Massive Long-Term Winners

Description

Amid recession fears, the Canadian equity markets have turned volatile, with the **S&P/TSX Composite Index** down over 14% for this year. However, the correction has provided an excellent entry point for long-term investors looking for quality stocks. Meanwhile, here are my three top bets that investors can start accumulating to earn superior returns over the next five years.

BCE

The telecommunication sector has been one of the fastest-growing sectors amid growing demand due to digitization, greater penetration, and increased adoption of remote working and learning. Besides, the advent of 5G has created multi-year growth potential for telecom companies. Meanwhile, *Maximize Market Research* projects the global telecommunication market to grow at a CAGR (compound annual growth rate) of 5.4% through 2029. Given the favourable environment, I have selected **BCE** (TSX:BCE)(NYSE:BCE) as my first pick.

The aggressive capital investment of around $14 billion since 2020 has allowed the company to expand its 5G and high-speed broadband services. The company recently introduced the next version of 5G, 5G+ services in Toronto and parts of Southern Ontario. Management hopes to provide 5G+ services to 40% of the Canadian population by the end of this year. Plus, the expanding pure fiber internet service and growing media revenue could further boost its financials in the coming years. So, the company's growth prospects look healthy.

BCE also rewards its shareholders by regularly raising its dividends. It has increased dividends consistently for the last 14 years, with its yield for the next 12 months standing at 6.5%. The company trades at a healthy NTM (next 12 months) price-to-earnings of 16.5, making it an excellent buy at these levels.

WELL Health Technologies

Amid the advancement of telecommunication services, increased adoption, and greater penetration, the telehealthcare sector could grow at a steady rate over the next few years. *Markets and Markets* projects the global telehealthcare sector to grow at a CAGR of 26.6% through 2027. So, amid the expanding addressable market, I have selected **WELL Health Technologies** (TSX:WELL), which facilitates virtual care through its innovative platform, as my second pick.

Despite the challenging economy, the company is growing at a decent clip, with its revenue and adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) growing at 127% and 121% in the recently reported second quarter. I expect the growth to continue as the company looks to strengthen its foothold in the high-growth United States market.

The company's U.S. vertical has turned profitable while crossing revenue of $115 million on an annualized run rate. Besides, the company has also ramped up its merger and acquisition activities, which could continue to drive its growth in the coming years.

However, amid the recent selloff, WELL Health has lost around 60% of its stock value compared to its 52-week high. Amid the pullback, the company trades at an attractive NTM price-to-earnings multiple of 9.8, making it an excellent buy.

goeasy

My final pick would be **goeasy** (TSX:GSY), which trades at a substantial discount of 48.5% from its recent highs. The fear that higher inflation and rising interest rates could hurt its high-growth verticals has dragged its stock price down. However, the company has provided an impressive outlook for the next two years and expects its loan portfolio to reach $4 billion by 2024, representing a growth of 63% from its current levels.

Expanded product offerings, strengthened omnichannel distribution, and the addition of new verticals could drive goeasy's growth in the coming years. It's also adopting advanced modeling and analytics to improve its credit models, which is encouraging. Plus, its net charge-off rate is within the company's guidance of 8.5-10.5%, so the company's outlook is healthy.

Amid the recent corrections, goeasy trades at an attractive NTM price-to-earnings multiple of 8.1. Also, it has been raising its dividends at an impressive rate of 34% since 2014, making it an ideal buy for long-term investors.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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