3 TSX Stocks to Buy Today and Hold for the Next 3 Years

Description

Along with rising inflation and higher interest rates, the ongoing protests in China against its tighter COVID-19 policies have created volatility in the equity markets. However, investors with over three years of investment horizon can go long on quality stocks with healthy growth potential. Meanwhile, here are my three top TSX picks.

WELL Health Technologies

The telehealthcare market is expanding with technological advancements and internet service penetration. Besides, its accessibility and cost-effectiveness have increased the service's popularity among patients. Meanwhile, Transparency Market Research projects the telehealthcare market to increase at a CAGR (compounded annual growth rate) of 14% from 2019 to 2027. So, amid the expanding addressable market, I have picked **WELL Health Technologies** (TSX:WELL), a Canadian telehealthcare company, as my first choice.

The company has continued its uptrend, with its third-quarter revenue and adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) growing by 47% and 23%, respectively. Solid organic growth and strategic acquisitions drove its financials. Supported by its impressive third-quarter performance, the company's management increased its 2022 revenue target by $15 million to $565 million. Besides, the management is hopeful of reaching a revenue run rate of $700 million by the end of 2023.

However, amid the recent selloff, WELL Health has lost around half its stock value compared to its 52-week high. So, given its healthy growth prospects and discounted stock price, I expect the company's stock price to double over the next three years.

Suncor Energy

Suncor Energy (TSX:SU), which has outperformed the broader equity markets this year by delivering impressive returns of over 45%, would be my second pick. Higher commodity prices and its outstanding quarterly performances have increased its stock price. In the September-ending quarter, the company's adjusted funds from operations grew by 69% to $4.47 billion.

Meanwhile, the company has continued its growth initiatives by signing an agreement to acquire a 21.3% stake in **Teck Resources's** Fort Hills facility for $1 billion. This acquisition could raise Suncor Energy's stake to 75.4%. Besides, analysts are bullish on oil. They expect the ending of COVID-induced restrictions in China to drive oil prices higher next year. So, higher oil prices and growth initiatives could boost the company's financials in the coming years.

Besides, Suncor Energy has raised its quarterly dividend by 11% to $0.52/share, with its yield currently at 4.5%. It also trades a healthy price-to-earnings multiple of 5.9, making it an attractive buy.

Waste Connections

I am choosing **Waste Connections** (TSX:WCN) as my final pick, given the essential nature of its business and healthy growth prospects. The waste management has continued to drive its financials, with its revenue and adjusted EBITDA growing at 18.2% and 16.4%, respectively. Higher pricing, exploration and production activities growth, and strategic acquisition have driven the company's financials during the quarter.

As of November 2, the company has completed acquisitions that can raise its revenue by $570 million annually. Besides, the company is working on closing several other acquisitions that can boost its annual revenue by $35 million. Further, the company's management expects its revenue to grow in double-digits next year amid its market expansion, higher prices, and increasing exploration and production activities. Meanwhile, it raised its quarterly dividend earlier this month by 10.9% to US$0.255/share. So, considering all these factors, I expect Waste Connections to outperform the broader equity markets over the next three years.

CATEGORY

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2. TSX:WCN (Waste Connections)
3. TSX:WELL (WELL Health Technologies Corp.)

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