



## New Investor? Buy These 2 Growth Stocks

### Description

If you're a new investor that's just starting out, one of the first things you'll want to do is build a handful of positions to start diversifying your money. Diversifying your money doesn't just mean buying different stocks. It also means looking to buy different types of stocks, including some defensive businesses as well as high-potential growth stocks.

Every stock plays an important role in your portfolio. [Lower volatility stocks](#), for example, will help to protect your capital and earn you consistent passive income.

Growth stocks, on the other hand, are essential for powering the growth of your portfolio over the long haul. That's why the best growth stocks you can buy are businesses that have the potential to grow for many years or even decades.

So when you can find these [Canadian stocks](#) and buy them at fair value or even undervalued, you can set your portfolio up to grow for years.

Therefore, if you're a new investor looking to buy growth stocks for your portfolio that you can hold for years to come, here are two of the very best Canadian stocks to buy now.

## This healthcare tech company is one of the best growth stocks you can buy

Canadian investors have a choice of several high-potential growth stocks they can buy in today's market environment, but without a doubt, **WELL Health Technologies** ([TSX:WELL](#)) is one of the best.

As you can see from its chart, the stock has been rallying to start 2023, but even after its significant gains lately, it's still heavily undervalued.

In fact, WELL is so cheap that all six analysts who cover the stock rate it a buy, and it has an average analyst target price upwards of \$8.50, a more than 150% premium to today's price. Just last week, one analyst gave WELL a target price as high as \$13.50. That's over 300% higher than where WELL trades

today.

The reason why WELL is such a high-potential growth stock is that it operates in the defensive healthcare industry but is also driving major innovation through its numerous digital health apps and telehealth businesses.

Plus, on top of its portfolio of tech businesses, WELL is also the largest owner-operator of outpatient medical clinics in Canada, which diversifies its portfolio and improves its long-term growth potential.

In just the last four quarters, WELL's revenue has grown by upwards of 159%, and its earnings before interest, taxes, depreciation and amortization ([EBITDA](#)) has increased by just shy of 320%.

So with WELL trading at a forward enterprise value (EV) to revenue ratio of just 1.9 times, well below its three-year average of 5.9 times, it's undoubtedly one of the best growth stocks that new investors can buy today.

## A top energy stock expanding its operations south of the border

In addition to WELL, another high-potential growth stock investors can buy now is **Freehold Royalties** ([TSX:FRU](#)), an impressive energy company that earns a royalty from other producers that use its land to extract oil and gas.

Freehold is an attractive business because it has lower risk than most other producers. The stock is still exposed to the price of energy, but because it has no capital expenditures and simply collects a royalty, there are fewer factors that could impact profitability.

Furthermore, because Freehold earns so much free cash flow, it can pay a significant dividend and still retain cash to invest in growth. That's why over the last few years since the pandemic ended, we've not only seen Freehold increase its dividend on seven separate occasions, but we've also seen it continue to acquire land in the U.S.

Buying land south of the border is compelling because there is more potential production growth in the U.S., and prices for energy tend to be much better.

Therefore, with Freehold back trading over 10% off its high and offering a dividend yield of roughly 6.8%, it's certainly one of the best growth stocks for investors to buy now.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:WELL (WELL Health Technologies Corp.)

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#### **Date**

2025/08/12

#### **Date Created**

2023/01/24

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