



2 Growth Stocks to Add to Your Watch List

Description

If you have read my articles in the past, you should have noted that I mainly cover technology and healthcare companies that offer long growth runways for investors. I think companies that can incorporate both aspects of those sectors are among the most exciting to invest in, and potentially offer multiples upon your initial investment. Other areas that are interesting to me are companies that seem to lead up-and-coming industries.

Which two companies should you start watching closely?

Supporting many industries through supply chain management optimization

The first company is one I have never covered before. **Andlauer Healthcare Group** ([TSX:AND](#)) helps companies optimize supply chain management through its platform, offering third-party logistics and delivery solutions to the healthcare sector. The company provides specialized transportation services to 22 of the top 25 pharmaceutical manufacturers, worldwide.

Andlauer has been posting impressive financial results over the past four years. Since 2016, the company has reported a compound annual growth rate of 9% in its revenue. Over the most recent year, total revenue has shot up over 14%. This indicates that the company is improving its already strong revenue growth, as it becomes more experienced.

The company's stock has been a very strong performer since its IPO. Since going public in December 2019, Andlauer stock has increased 105%. This includes a 21% decline during the market crash earlier this year and a 98% increase since that point.

It is interesting to note that, although the company is still considered a small cap stock, Andlauer does pay a small dividend to its shareholders. This adds an interesting twist to an already attractive growth stock.

A new way to shop for groceries

The COVID-19 pandemic has resulted in many societal changes, some of which may be here to stay. One of the largest changes to everyday life can be found in the grocery store industry. Ordering your food online and having it delivered has become the norm for many people around the world. One company that can greatly benefit from this shift is **Goodfood Market** ([TSX:FOOD](#)).

Based in Montreal, QC, Goodfood is an online grocery, home meal, and meal kit company. The company reported that its total number of subscribers had exceeded 200,000 in August 2019. This is an estimated 40% to 45% of the Canadian meal kit market. According to Goodfood's [latest earnings report](#), the company currently has the capacity to serve up to 600,000 subscribers across Canada.

Goodfood's stock performance gives a good picture of the adoption of online grocery shopping due to the pandemic. After its IPO in 2015, Goodfood stock declined 12.61% over the next five years. After declining to a low of \$1.90 during the market crash, investors were quick to realize the potential in this industry due to the pandemic.

Since hitting its bottom, Goodfood stock has increased over 311%! The company is still listed under a \$500 million market cap, which means it could still have a long growth runway ahead.

Foolish takeaway

There are a few very [interesting growth companies](#) in Canada. Two of which I have not covered until now. Andlauer Healthcare Group and Goodfood Market are two growth stocks that investors should add to their watch list today.

One company provides technological solutions to the healthcare sector, and the other is in the midst of a societal shift that is sure to boost its stock in the future.

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TICKERS GLOBAL

1. TSX:AND (Andlauer Healthcare Group Inc.)
2. TSX:FOOD (Goodfood Market)

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