3 “Rocket Fuel” Stocks for High-Growth Investors

Description

When growth investors turn to the TSX index for some serious momentum stocks, it doesn’t disappoint. Here are three of the best high-performance tickers currently listed on Canada’s biggest stock exchange, with everything from stratospheric earnings projections to large market shares on display, drawn from the worlds of tech and Canadian cannabis.

Kinaxis (TSX:KXS)

Classed as a tech stock in large part because of its cloud-based sales software, Kinaxis’ main area of business is in the field of supply chain management. Up 2.03% in the last five days at the time of writing, it’s a popular choice, and with three-year returns of 80.8% and a decent track record denoted by a five-year average past earnings growth of 46.7%, it’s a solid one, too.

Boasting low debt at just 4.8% of its net worth, Kinaxis is looking at a 25.7% expected annual growth in earnings, while a P/E of 104.1 times earnings and P/B of 8.2 times book defines a stock that is potentially gravity-resistant.

Savaria (TSX:SIS)

One of the healthiest of healthcare stocks on the TSX index, Savaria also doubles as a crossover capital goods/consumer durable play, while also technically belonging to the machinery industry, and commands a strong position in the personal mobility sector. As such, its stock offers exposure to various areas with just one investment, and serves as a defensive addition to a portfolio.

Up 3.01% in the last five days, Savaria is a popular stock — one that can do what few high-growth tickers can: show a strong track record. This latter characteristic is illustrated by a solid one-year past earnings growth of 44.9% and five-year average growth of 31.5%.

Its balance sheet is getting healthier, too, with a level of debt to net worth that has been brought down over the last five years from 78.6% to 49.6%. With high market ratios, it’s not for the value investor, though a dividend yield of 3.07% matched with a 31.1% expected annual growth in earnings might turn a passive income investor's head.

HEXO (TSX:HEXO)

This Canadian cannabis stock's 12-month returns of 110.6% easily outpaced both the pharma industry and the TSX index. However, down 4.47% in the last five days, HEXO shows that it can buck like a mule; even so, it remains a high-volatility option with a beta of 4.96 that might be just right for experienced growth investors.

While HEXO insiders have only sold shares in the last few months, HEXO's 122.8% expected annual growth in earnings exceeds both of the previous stocks' projected earnings put together, and signifies a stock that could rule the marijuana roost in the coming months. A P/B of 4.22 times book is far from the highest such ratio on the markets, though it confirms overvaluation.

The bottom line

Savaria's P/E of 27.5 times earnings and P/B of 3.1 times book are the lowest on the list, and with a decent dividend on display, this could be a front-runner for a more long-range play on the TSX index. Meanwhile, HEXO continues to wow momentum traders with its high returns and impressive outlook, while the software stock remains a compelling option for high gains.

CATEGORY

1. Cannabis Stocks
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TICKERS GLOBAL

1. TSX:HEXO (HEXO Corp.)
2. TSX:KXS (Kinaxis Inc.)
3. TSX:SIS (Savaria Corporation)

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