



2 TSX Stocks Poised for Huge Growth Over the Next Decade

Description

Canadian investors can look back on a positive 2019, as the TSX has climbed to an all time high. The decade has been rewarding for investors who have stayed in the market, even those who have opted for a more conservative approach.

However, there are new challenges as we approach the 2020s. Global trade tensions are high as we close the book on this decade, developed economies are experiencing a slowdown in growth, and central bankers are juggling with policy to address these developments.

Today, I want to look at two stocks that are well positioned for big growth over the next decade.

Kinaxis

Recently, I'd discussed why **Kinaxis** ([TSX:KXS](#)) is still one of my [favourite technology](#) stocks to close out the year. The Ottawa-based company has seen its stock soar since its 2014 IPO. It has managed to score partnerships with some of the biggest companies in the world in recent years, including **Toyota Motors**, **Ford**, and **Volvo**. Shares of Kinaxis have climbed 59% in 2019 as of close on December 11.

In the third quarter, the company reported year-over-year revenue growth of 29% to \$47 million. Gross profit jumped 36% to \$33 million, and adjusted EBITDA also increased 29% to \$12 million. Revenue growth was driven by a 28% increase in SaaS revenue, largely due to contracts secured with new customers. The company had said that it was expecting a flurry on the back end after a less-than-stellar Q2 2019.

Kinaxis is forecast to post solid earnings growth going into the next decade. The only concern for investors is that it has been plagued by bouts of volatility. Those seeking value may want to await a more attractive entry point, as its shares are trading close to a 52-week high.

Dollarama

Dollarama ([TSX:DOL](#)) has been a high performer this decade. Its stock has climbed 34% in 2019 at the time of this writing. Shares have achieved average annual returns of 27% over the past 10 years. The dollar store retail business has erupted after the Great Recession, and Dollarama has made moves to expand domestically and [internationally](#) into the 2020s.

The company released its fiscal 2020 third-quarter results on December 4. Dollarama opened 21 net new stores in the quarter, bringing its total store count in Canada to 1,271. It achieved 5.3% growth in comparable store sales and reported a 2.4% increase in the number of transactions compared to Q3 fiscal 2019. Diluted net earnings per common share climbed 10% year over year to \$0.44.

Back in August, Dollarama closed its acquisition for a 50.1% interest in the Latin American value retailer Dollarcity. At the end of the most recent quarter, Dollarcity operated 210 stores. This compares to a total of 169 stores as at December 31, 2018. The subsidiary is aiming for an annual target between 40 and 50 net new stores for the calendar year 2019.

Shares of Dollarama have dipped 6.9% over the past month as of close on December 11. It last had an RSI of 32, putting it just outside technically oversold territory.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:KXS (Kinaxis Inc.)

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