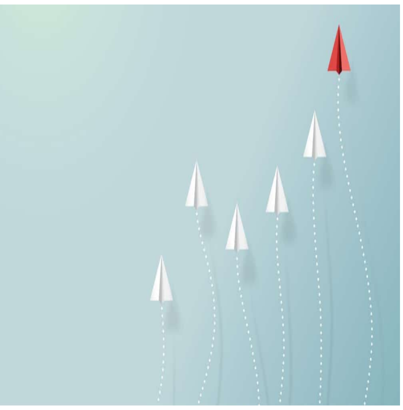

These TSX Stocks Are on a Tear, and the Rally Could Continue

### Description

There are a few TSX stocks that have generated exceptional returns so far this year. Despite the surge in value, the rally in these TSX stocks could continue, thanks to their strong growth prospects and solid fundamentals.



## Real Matters

**Real Matters** (TSX:REAL) stock is on a tear, rising 98.7% so far this year. Besides, Real Matters stock has increased by a whopping 254% in one year. Despite the surge in value, Real Matters stock has ample room for growth.

Real Matters continues to gain market share and is adding new customers. Meanwhile, the historically low interest rate environment acts as a significant tailwind for Real Matters. The outbreak of the pandemic led central banks in the U.S. and Canada to significantly reduce the interest rates. The lower rates have led to a dramatic rise in the refinancing activities, benefiting Real Matters massively.

Investors should note that the higher activity in the U.S. mortgage market is leading lenders to expand their underwriting capacity. The increased underwriting capacity should support Real Matters's performance over the next several years.

Real Matters stock trades at the next 12-month price-to-earnings multiple of 28.8, which is lower than the industry average of 30.4. Real Matters's revenue and earnings could continue to increase at a high double-digit rate in 2020 and beyond, which makes it attractive on the valuation front and should drive its stock higher.

## Kinaxis

**Kinaxis** (TSX:KXS) is another stock that has performed exceptionally well so far this year. For those who don't know, Kinaxis stock has risen about 86% year to date. Meanwhile, it increased by over 119% in one year. The astounding growth in Kinaxis stock is due to the stellar demand for its supply-chain management software and services. Meanwhile, solid backlogs indicate that Kinaxis stock has a lot of firepower left.

Kinaxis is growing fast, gaining market share, and adding new customers. While the company's underlying business remains strong, Kinaxis is turning towards acquisitions to expand its product suite and accelerate its growth further.

Recently, Kinaxis announced the acquisition of Rubikloud, which provides AI-based demand planning software and solutions to the retailers and CPG companies. The acquisition of Rubikloud will help Kinaxis to broaden its reach into the enterprise retail industry, increase the resiliency of its business, and bolster growth.

Kinaxis's solid fundamentals and enormous growth prospects make it a solid long-term investment. Investors should continue to buy Kinaxis stock on every dip.

## Docebo



**Docebo** (TSX:DCBO) stock is up more than 88% this year. Meanwhile, its shares have doubled in one year as compared to about a 5% decline in the benchmark index. The software company's products and services support enterprise learning, which is witnessing huge demand. Moreover, the demand for its offerings is likely to sustain, as we slowly transition towards remote work and learning.

Similar to Kinaxis, Docebo is acquiring its customers fast as reflected through the stellar growth in its recurring revenues. Docebo's recurring revenues have increased at a CAGR of 69% in the last three years. Meanwhile, its average contract value is now 2.7 times more than 2016 levels. Docebo is fast moving towards reporting profits, which augurs well for future growth.

The favourable operating environment, new customer acquisitions, larger deal sizes, and operational efficiencies should drive Docebo stock higher.

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2. Investing
3. Tech Stocks

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1. Editor's Choice

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2. TSX:KXS (Kinaxis Inc.)
3. TSX:REAL (Real Matters Inc.)

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**Date**
2025/08/18
**Date Created**
2020/06/19
**Author**
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