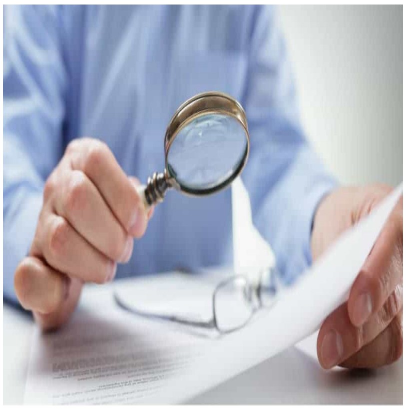

Zoom In on These 2 TSX Stocks for Explosive Growth

Description

The top TSX stocks have mostly recouped the majority of their losses that were lost amid the recent market crash. However, there are still attractive investment opportunities for investors that provide plenty of room for growth.

Enghouse Systems (TSX:ENGH) and **Kinaxis** (TSX:KXS) are two TSX stocks that have beaten the benchmark index by a comfortable margin and remain well-positioned to deliver explosive growth in the coming years. Both these stocks are likely to benefit from emerging market trends and strong demand for their products and should perform pretty well, despite market chaos.

Enghouse Systems

Enghouse is among the few Canadian stocks that have benefitted from the coronavirus. The company offers software and services that support remote work, customer communications, and visual computing. The pandemic has led to higher demand for its products, as remote work is now the new normal. Besides, I expect the demand to sustain in the years to come, which should act as a significant tailwind for Enghouse.

So far, shares of Enghouse are up about 48% this year compared to the 10.5% decline in the benchmark index. Meanwhile, Enghouse stock has more than doubled in one year. Despite the steep rise in value, Enghouse has enough firepower left that could support the upside in its stock.

Its stock could continue to benefit from the consistent demand for its products. Besides, its ability to acquire fast-growing businesses could further accelerate its growth rate. Enghouse's recent acquisitions of Vidyo, Dialogic, and Espial are contributing significantly to its growth and expand its product suite.

In the most recent quarter, Enghouse's revenues increased by 58%, thanks to the acquisitions of Vidyo and Dialogic. Vidyo is witnessing stellar growth in demand as it supports remote work.

Enghouse maintains a strong balance sheet and has small debt that positions it well to grow inorganically. Meanwhile, the development and expansion of its product portfolio should help it to grow organically.

Kinaxis

Kinaxis has made investors rich. Its stock has surged around 94% year to date. Meanwhile, it has delivered a growth of 137% and 572% in one and five years, respectively. Despite its explosive growth, Kinaxis isn’t done making money for its investors and is poised to gain further in the coming years.

Kinaxis offers software and services that support supply-chain management. The demand for its offerings remains high and is likely to sustain, driving Kinaxis stock higher. The company is growing fast and is acquiring customers at a brisk pace, implying strong future growth. It has a strong order backlog, which is encouraging. Kinaxis’s total backlog increased 47% year over year to US$344.9 million.

While the company’s base business is growing at a decent pace, Kinaxis is focusing on strategic acquisitions to bolster its growth further and expand its product base. Kinaxis announced the acquisition of Rubikloud. Rubikloud provides AI-based software and solutions that help CPG companies and retailers to forecast demand and plan their pricing and promotions. Kinaxis’s two-pronged growth strategy provides a strong foundation for a big rally in its stock.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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2. TSX:KXS (Kinaxis Inc.)

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