



4 Mid-Cap Stocks That Could Turn Your \$1,000 Into \$10,000

Description

With the stock market recouping most of its lost ground, it's hard to find value picks. However, investors could continue to add mid-cap stocks. The reason is pretty simple: mid-cap stocks offer higher growth than large caps. Mid-cap stocks are less volatile than small caps.

Here are four mid-cap stocks that have a lot of runway ahead and have the potential to turn your \$1,000 into \$10,000.

Enghouse Systems

With a market cap of \$4.2 billion, **Enghouse Systems** ([TSX:ENGH](#)) is a top mid-cap stock to buy and hold for decades. Enghouse has made investors very rich, thanks to its solid financial performance over the past several years. If you invested \$1,000 in Enghouse stock 10 years back, it would be worth \$18,305 now.

Enghouse's software and services support remote work, communication, and customer interaction. The pandemic has accelerated the demand for its offerings, as reflected through its recent financial performance. The company reported 58% growth in its revenues, while its adjusted EBITDA soared 81.3% in the [most recent quarter](#).

With the pandemic in the background and secular shift in the number of people of working remotely, Enghouse Systems could continue to produce strong sales in the coming years. Besides, strategic acquisitions should accelerate its growth further. Robust sales, operational efficiencies, and cost-savings could fuel double-digit growth in its earnings and, in turn, its stock.

Cargojet

A market cap of \$2.8 billion and returns of 752% in five years make **Cargojet** ([TSX:CJT](#)) a must-have mid-cap stock that has the [potential to turn your \\$1,000 investment](#) into \$10,000. Its revenues and EBITDAR margins continue to benefit from sustained demand for air cargo. Besides, its growth has

accelerated, reflecting increased demand from e-commerce and healthcare segment.

Cargojet's strong customer base, acquisition of new customers, network expansion, and optimization of costs should continue to support the upside in its stock. Further, its resilient business, strong balance sheet, and robust cash flows should fuel investments in growth opportunities and lowering debt.

Real Matters

With a three-year return of over 227%, **Real Matters** ([TSX:REAL](#)) is another mid-cap star. Investors should note that the lower interest rate environment has led to a surge in refinancing activities, providing a solid long-term growth platform for Real Matters.

Real Matters's consolidated net revenues increased by 52.7% in the most recent quarter. Its adjusted EBITDA more than doubled. Robust sales and EBITDA led to a 57% growth in its adjusted net income.

Investors should note that the increasing COVID-19 cases and weak economic outlook indicate that the interest rates could stay low in the foreseeable future, driving volumes for Real Matters. High refinance volumes are likely to support outsized growth in its stock.

Kinaxis

The COVID-19 outbreak and weak economic forecasts hardly had any impact on **Kinaxis** ([TSX:KXS](#)) stock. Its shares have risen over 95% year to date. Meanwhile, it's up about 432% in five years. Its cloud-based supply-chain management software continues to witness stellar demand. Meanwhile, the company has significant growth opportunities ahead, thanks to strategic acquisitions.

It continues to generate very high recurring revenues and is adding new customers at a breakneck pace. Also, its high customer retention rate and expansion of the product suite further strengthen its base business.

Kinaxis has performed exceptionally well over the past several years and could continue to do so in the coming years on the back of the strong underlying business, stellar demand, and strategic acquisitions.

Bottom line

These four mid-cap stocks have a resilient business and ample scope for growth, which should continue to support the rally in their stocks. Investors with a long-term outlook have a higher probability of turning their \$1,000 into \$10,000 through these stocks.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:ENGH (Enghouse Systems Ltd.)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:REAL (Real Matters Inc.)

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