10 High-Growth TSX Stocks to Buy in September 2020

Description

We asked our Foolish writers for their top growth ideas right now – here are their choices:

Jed Lloren: WELL Health Technologies

My pick for a top high-growth tech stock right now is **WELL Health Technologies** (TSX:WELL). As I have previously written, the company's objective is to improve patient experiences and health outcomes by providing advanced healthcare technology. The company plans to achieve this by establishing a network of primary care facilities and digital assets.

WELL Health recently announced that it had acquired a majority stake in Circle Medical, marking its entry into the American market. Currently, the telehealth industry has been heating up and competitors are attempting to capture market share as quickly as possible. WELL Health's decision to enter the United States now is a very promising indication that the company has plans for global expansion.

Fool contributor Jed Lloren owns shares of WELL Health Technologies.

Stephanie Bedard-Chateauneuf: Facedrive

Facedrive (TSXV:FD), an eco-friendly ridesharing platform, is a top high-growth stock to buy in September.

Facedrive is a company with lots of potential, as climate change is becoming a concern to more people.

Although Facedrive is currently a loss-making company, its revenue growth over the past few quarters has been very impressive.

In the first quarter of 2020, Facedrive generated revenue of $387,901, up from $36,027 a year earlier – a growth of almost 1,000%. In 2019, it reported income of $599,104, an increase from $13,579 in 2018.

The global ridesharing industry has excellent growth prospects. Facedrive has what it takes to thrive in the market. The company should continue to see explosive growth in the coming years.

Fool contributor Stephanie Bedard-Chateauneuf has no position in any stock mentioned.

Amy Legate-Wolfe: Docebo Inc.

Docebo Inc. (TSX:DCBO) has become the tech stock to beat over the last few months. While it may not have the share price of **Shopify** quite yet, there are many economists who think one day it'll get there. That's because Docebo is one of the businesses able to boost its sales amidst the pandemic.

The learning management system offers its clients the ability to train any where, any time. Docebo might be small now with a market cap of $1 billion, but it has some big clients, such as **Amazon's** Web Service.

Right now, the stock isn't cheap, but sales should continue to soar. During the second quarter, subscription revenue grew by 55%, with annual recurring revenue up 54.5%. That's the fourth consecutive quarter of revenue growth for the company, even before the pandemic made its business a necessity. Already up 170% year to date, investors should look forward to years of similar growth from this tech darling.

Fool contributor Amy Legate-Wolfe does not own shares of Docebo Inc. Amy Legate-Wolfe owns share of Shopify Inc.

Kay Ng: Xebec Adsorption

Xebec Adsorption (TSXV:XBC) designs and creates technology that transforms raw gases into clean energy. This year, Export Development Canada recognized Xebec as one of the most innovative cleantech companies in Canada.

The company is growing fast. Its revenue growth in the last 12 months versus what it was a year ago was 65%. Additionally, its trailing 12-month revenue stands at $58.56 million, while it has more than $85 million in order backlog that validates its proprietary technology.

The growth stock has appreciated 83% year to date and has a market cap of about $414 million. As the world shifts to renewable gases to create a greener future, Xebec will play a key role and grow for years to come.

Fool contributor Kay Ng owns shares of Xebec.

Sneha Nahata: Dye & Durham

Shares of **Dye & Durham** (TSX:DND) posted some serious gains since listing on the exchange on July 17. Its stock has more than tripled from its IPO price of $7.50 and has enough fuel left to keep the rally going.

Investors' exuberance is warranted on Dye & Durham stock, thanks to its robust financial performance over the last several years. Moreover, its growing blue-chip customer base is encouraging. Dye & Durham's revenues have grown at a CAGR of 71% from FY16 to FY19. Meanwhile, adjusted EBITDA grew at a CAGR of 136% in the same period.

With the addition of new customers, accretive acquisitions, and growing demand for its products and services, Dye & Durham's revenues and EBITDA are likely to sustain the double-digit growth momentum in the coming years, providing a solid base for outsized growth in its stock.

Fool contributor Sneha Nahata has no position in any of the stocks mentioned.

Andrew Button: Shopify

Shopify Inc (TSX:SHOP)(NYSE:SHOP) has been one of the best-performing TSX stocks over the past five years. Since the closing price on its IPO date ($34.94), it has gained more than 3,300% in the markets. If you've seen these gains, you might worry that you've "missed your chance" to buy Shopify. Over the Summer, it hit several all-time highs—getting very expensive in the process.

But now, thanks to the tech selloff, investors have the opportunity to buy SHOP on the dip. After falling 18% in the September tech selloff, it's cheaper than it's been in months. Make no mistake, SHOP is still an expensive stock. But it's also fresh out of one of its best quarters ever. In Q2, Shopify grew revenue by 97% and posted positive GAAP profits. The COVID-19 pandemic actually helped SHOP in Q2, as the closure of retail businesses led to more online shopping. If Q3 looks similar, then you can expect more gains for SHOP.

Fool contributor Andrew Button has no position in any of the stocks mentioned.

Rajiv Nanjapla: Real Matters

Real Matters (TSX:REAL), which services mortgage lenders and insurance companies, has returned over 90% this year, easily outperforming the broader equity markets. The slowdown in economic activities had compelled the central banks in the United States and Canada to slash the interest rates. So, the lowering of interest rates led to a rise in refinancing activities, driving the need for Real Matters's services.

In its recently completed third quarter, the company's net revenue grew over 52%, supported by strong volume growth in its appraisal and title segments in the United States. Its adjusted EBITDA grew over 100%, boosted by top-line growth and margin expansion.

Meanwhile, the low-interest-rate environment has created a sustained level of refinancing activities, which could last for several more quarters. Also, mortgage lenders are experiencing scalability and performance issues with their existing vendors. So, with its competitive advantage, the company is well-positioned to acquire new clients and expand its market share.

Amid profit-booking, Real Matters currently trades at a discount of over 27% from its 52-week high. So, given its impressive growth prospects and the recent correction in its stock price, the company provides an excellent buying opportunity.

Fool contributor Rajiv Nanjapla has no position in any of the stocks mentioned.

Ambrose O'Callaghan: Kinaxis

My top high-growth tech stock for September is **Kinaxis** (TSX:KXS). Kinaxis is an Ottawa-based company that provides cloud-based subscription software for supply chain operations around the world. Its shares have climbed 82% in 2020 as of close on September 11. The stock is up over 130% from the prior year.

In the second quarter of 2020, the company delivered revenue growth of 45% to $61.4 million. Adjusted EBITDA surged 94% to $22.4 million and profit soared 125% to $9.0 million. The COVID-19 pandemic has disrupted supply chains, which has put more pressure on companies to modernize their processes. Kinaxis has thrust Canada into a leadership position in providing supply chain management software. This market is positioned for big growth over the course of the 2020s.

Kinaxis possesses an immaculate balance sheet, which is gravy when we consider its promising growth potential in the years ahead.

Fool contributor Ambrose O'Callaghan has no position in any stocks mentioned.

Karen Thomas: Goodfood Market Corp.

As an online dinner subscription meal delivery service, **Goodfood Market Corp**. (TSX:FOOD) is well positioned in these times.

This is nowhere more obvious than in its 40% growth rate in subscribers and in its strong revenue growth of 74% in its latest quarter. The coronavirus has forced people to rethink everything, including mealtimes. Even going to a restaurant and/or grocery shopping can seem risky. Goodfood addresses this and so much more.

It offers well-balanced and healthy meals delivered to our doorstep. It was a solid business idea even before the coronavirus hit. It's even more appealing now. The stock has soared 111% so far in 2020, with significant more upside.

Fool contributor Karen Thomas does not own shares of Goodfood Market Corp.

Brian Paradza: Lightspeed POS

Lightspeed POS (TSX:LSPD)(NYSE:LSPD) is a fast-growing Canadian commerce technology firm whose recent diversification from a pure retail and restaurant point-of-sale and e-commerce management software sales to e-commerce payments processing (a trillion-dollar market) and business financing should attract every growth-oriented investor's attention.

LSPD emerged as a surprise winner during the COVID-19 crisis due to swift innovation to report a 51% year-over-year revenue growth during a pandemic stricken second quarter of 2020. Guidance is for a very good third quarter. The company has largely recurring revenues that are expected to increase at a compound annual growth rate of 32.6% per year over the next three years.

Actually, the business could grow at a faster rate as management embarks on a promised acquisition led growth strategy to consolidate a fragmented market. Though dilutive, a well-timed U.S. IPO helps LSPD access more growth capital while working on becoming earnings and cash flow positive in the near future.

Fool contributor Brian Paradza has no position in Lightspeed POS stock.

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:DCBO (Docebo Inc.)
3. TSX:DND (Dye & Durham Limited)
4. TSX:FOOD (Goodfood Market)
5. TSX:KXS (Kinaxis Inc.)
6. TSX:LSPD (Lightspeed Commerce)
7. TSX:REAL (Real Matters Inc.)
8. TSX:SHOP (Shopify Inc.)
9. TSX:WELL (WELL Health Technologies Corp.)
10. TSX:XBC (Xebec Adsorption Inc.)
11. TSXV:STER (Facedrive Inc.)

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