3 High-Growth TSX Stocks to Buy in October 2020

**Description**

The year 2020 has been a forgettable one for most investors. The market turned bearish in just a month in early 2020, and though it regained some of its losses, there is a lot of uncertainty right now.



However, tech investors who bought the market dip in March have made massive gains. While it is impossible to time the market, every correction should be viewed as a buying opportunity for long-term investors. Which companies should investors buy right now?

The buy-and-hold investing strategy will continue to pay dividends. Let's take a look at three growth stocks that have competitive advantages and are poised to outperform the broader markets over time.

## A Tesla-like company

The first stock on the list is **GreenPower Motor** (TSXV:GPV), which is the second electric vehicle manufacturer to be publicly listed after **Tesla** in North America. The world will shift towards electric vehicles sooner rather than later, and you can place your bets on GreenPower Motor to be at the forefront of this change.

GPV stock is trading at $17.17, which is 44% below its record high of $30.64. This means the stock is valued at a market cap of $313.5 million, indicating a forward price-to-sales multiple of 15, which is not too expensive given the company's sales growth forecast of 55.3% in fiscal 2020.

Analysts also expect the company to grow sales by 143% to $51 million, which means it is trading at a forward price-to-2022-sales multiple of just 6.1. This robust growth in sales will allow GPV to report an adjust earnings per share of $0.21 in fiscal 2022.

## A health-tech company

The COVID-19 pandemic has acted as a tailwind for tele-health companies such as **CloudMD Software and Services** (TSXV:DOC). The healthcare industry is in the midst of a revolution with virtual care services on the rise.

CloudMD is a company that is digitizing healthcare at a rapid pace and is one of the top-performing stocks in 2020. The company offers services in British Columbia and Ontario and is expanding via acquisitions as well.

In the last quarter, CloudMD sales rose a stellar 163% year over year. After accounting for acquisitions revenue growth stands at 40%. It is focused on expanding its network, which will continue to drive top-line growth in 2020 and beyond.

CloudMD is valued at a market cap of $272 million, indicating a forward price-to-sales multiple of 16. The company is forecast to increase sales by a stellar 150% in fiscal 2021 and will near profitability by the end of next year.

## A company that is poised for massive disruption

The third and final stock on the list is **Maxar Technologies** (TSX:MAXR)(NYSE:MAXR), a satellite and earth imagery provider. In the second quarter, Maxar reported sales of US$439 million and broke even on an adjusted basis. Comparatively, analysts expected the company to post sales of US$560.3 million and earnings of US$1.06 per share in Q2.



However, the stock still gained 15% shortly after its results were announced after Maxar closed the sale of its MDA space business for US$304 million. The company also restructured its debt and reduced long-term debt as it ended Q2 with cash reserves of US$177 million.

Company CEO Dan Jablonsky confirmed demand was resilient amid the pandemic, as Maxar provides customers with tools that enhance their national security and commercial missions. He said, “We generated another quarter of solid revenue growth in Earth Intelligence while Space Infrastructure returned to growth on the heels of recent diversified bookings from both civil and commercial customers.”

The company’s lower debt will help it improve cash flow and profit margins in Q2.

**CATEGORY**

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**POST TAG**

1. Editor's Choice

**TICKERS GLOBAL**

1. NYSE:MAXR (Maxar Technologies)
2. TSXV:DOC (CloudMD Software & Services Inc.)
3. TSXV:GPV (GreenPower Motor Company Inc.)

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