



## 3 High-Growth TSX Stocks Available at a Discount

### Description

The vaccine euphoria has been driving the Canadian equity markets higher over the last 50 days. However, some of the high-growth TSX stocks that benefited from the pandemic were under pressure. Along with steep valuations, the expectation of a decline in the demand for those companies' services, with life and businesses expected to return to pre-pandemic ways, has weighed on their stock prices.

Meanwhile, the growth prospects of the following three stocks remain intact. So, I believe investors should utilize the pullback to buy these high-growth stocks for superior returns.

### Descartes Systems

Amid the pandemic, many retailers moved their businesses online to survive, leading to a growth in the e-commerce segment, which benefited **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)). The company, which provides cloud-based logistics and supply chain management solutions, has reported a 5.7% top-line growth in the first three quarters of fiscal 2021, while its EPS increased by 32.3%. Along with top-line growth, the expansion in its margins drove the company's earnings.

Meanwhile, the structural shift towards online shopping has created a long-term growth potential for the e-commerce industry. Meanwhile, e-commerce currently forms a small percentage of total sales in Canada. So, I believe the sector has a strong potential to expand in the coming years, benefiting Descartes Systems.

Along with organic growth, the company also focuses on strategic acquisitions to expand its business. Last month, the company [acquired](#) ShipTrack, which provides cloud-based logistic solutions for last-mile deliveries, for \$19 million. In June, it had acquired Cracking Logistics, which provides client-facing digital freight execution platforms, for \$5.4 million.

Meanwhile, amid the recent pullback, Descartes Systems is trading at over 10% lower from its 52-week high. So, given its accretive acquisitions, favourable market conditions, and strong fundamentals, I believe investors should utilize the correction to accumulate the stock for higher returns.

## Cargojet

The growth in e-commerce sales and grounding of passenger aircraft amid travel restrictions have boosted the demand for **Cargojet's** ([TSX:CJT](#)) services this year, driving its financial and stock price. Meanwhile, amid the recent pullback, Cargojet trades at a 13.6% discount from its all-time high of \$250.01, proving an excellent entry point for long-term investors.

Its overnight delivery service to 15 major cities in Canada and an array of 27 aircraft have allowed the company to acquire a significant share in Canada's domestic air cargo volumes. Further, many of its clients have signed a long-term contract, thus providing stability to its financials.

Cargojet is also adding new routes and expanding its fleet size to meet the increased demand while cutting down on expenses, which is encouraging. Further, given the high-growth prospects of the e-commerce sector, [I am bullish on Cargojet](#).

## Real Matters

Third on my list is **Real Matters** ([TSX:REAL](#)), which provides a marketplace for mortgage lending and insurance industry services. The company has been under pressure since it reported lower-than-expected fourth-quarter earnings on November 20. As many customers used waivers to refinance transactions amid the pandemic, its refinancing volumes fell, dragging the financials down.

Meanwhile, Real Matters's management has set an optimistic outlook. The management hopes to significantly expand its market share in both the United States Appraisal and Title segment by 2025. Further, with the economic outlook remaining weak, the central banks will not hurry to raise interest rates, which could benefit Real Matters.

Amid the recent pullback, the company's valuation looks attractive. Currently, Real Matters is trading at a forward price-to-earnings of 27.8 and a forward enterprise value-to-sales multiple of 2.9.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:CJT (Cargojet Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:REAL (Real Matters Inc.)

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