



3 High-Growth TSX Stocks That Can Double in Next 3 Years

Description

Despite the uncertain economic outlook, the Canadian equity markets continue to rise, with the S&P/TSX Composite Index up over 57% from its March lows. The index is just 1.9% down from its all-time high. Amid the investors' optimism, here are the three high-growth TSX stocks that could double your investments in the next three years.

Real Matters

Real Matters ([TSX:REAL](#)) has combined its proprietary platforms and network management capabilities to create an efficient marketplace for mortgage lenders and insurance companies. Amid its lower-than-expected fourth-quarter earnings and the pullback in high-growth stocks, it trades over 40% lower from its 52-week high. The company's management had stated that many customers used waivers to refinance transactions amid the pandemic, which lowered its refinancing volumes, thus dragging its financials down.

However, given the weak economic outlook, the central banks would not increase the interest rates soon, which could benefit Real Matter. The company has also provided an [optimistic outlook](#). It expects its purchase market share in the United States appraisal segment to increase from 4.6% in 2020 to 7-9% by 2025, while the refinance market share to improve from 9.3% to 17-19%. Its market share in the United States's title segment could also increase from 2.1% to 6-8% during the same period.

Further, the management expects its adjusted EBITDA to improve significantly in both title and appraisal segments. So, Real Matters's growth prospects look healthy. Meanwhile, amid the recent pullback, the company's valuation looks attractive. Currently, its forward price-to-earnings multiple stands at 27.8, while its forward enterprise value-to-sales multiple is at 2.9. So, given its expanding market share and attractive valuation, Real Matters stock could easily double over the next three years.

BlackBerry

BlackBerry's ([TSX:BB](#))([NYSE:BB](#)) stock has been under pressure since it reported its third-quarter

earnings on December 17. The company reported revenues of US\$218 million, which fell short of analysts' expectations of \$219.7 million. It also represents an 18.4% decline from the previous year's quarter. The company's management has blamed the weakness in the automotive sector for the fall.

Meanwhile, the company's growth prospects look healthy. Its Spark Suite platform, which provides cybersecurity and endpoint management solutions, has helped the company acquire customers in a wide range of sectors, including financial services, public sector, healthcare, and manufacturing. The company also launched "Cyber Suite" during the third quarter, which has strengthened its continuous authentication and mobile threat defence capabilities. The early interest in the platform has been strong.

Further, earlier this month, the company had announced a partnership with **Amazon** Web Services to develop an IVY cloud-connected software platform, which allows automakers to read vehicle sensor data securely and take appropriate actions. The platform would accelerate new product developments, thus improving vehicle performance and lower maintenance and repair expenses. Given its high-growth prospects, [investors should utilize the recent pullback to accumulate the stock for higher returns](#).

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)), which provides omnichannel solutions for small-scale retailers and restaurant operators, is my third pick. The company is up over 720% from its March low. The increased demand for e-commerce platforms and online payments amid the structural shift towards online shopping has led to an increased demand for Lightspeed's services, thus driving its stock price.

Meanwhile, I expect the demand for Lightspeed's services to sustain for the next few years, given the secular industry trends. Further, the company is expanding its product offerings to attract more customers and increase its average revenue per user. With its cash and cash equivalents standing at \$513.1 million, the company is well positioned to make future acquisitions, thus expanding its business geographically and increasing its customer base. So, given its high-growth prospects, I expect the company to deliver superior returns over the next three years.

CATEGORY

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2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:BB (BlackBerry)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:REAL (Real Matters Inc.)

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