



Forget About Stock Market Crash: Buy These 3 High-Growth TSX Stocks

Description

Amid the rising COVID-19 cases and high valuations, many are expecting markets to crash this year. However, Canadian equity markets have shown strong resilience, with the **S&P/TSX Composite Index** hitting a new high yesterday. With Democrats taking control of both the House and Senate, investors' hope for more stimulus packages have boosted global equity markets, including Canadian equity markets.

Despite the uncertain outlook, I believe the following three high-growth stocks to perform well this year.

Nuvei

Nuvei ([TSX:NVEI](#)) is an electronic payment-processing company, which went public in September last year. The company has over 50,000 clients operating across 200 markets. It supports 450 different payment modes and 150 currencies. Amid the structural shift toward online shopping, the demand for the fintech companies' services has increased. Nuvei's top-line grew by 32% in its recently reported [third-quarter results](#), while its adjusted EBITDA grew 59%. The company processed around \$11.5 billion worth of transactions, representing a year-over-year increase of 62%.

Further, the company's growth prospects look healthy, with the global payment processing solutions sector projected to grow at an annualized rate of 10.2% over the next seven years. Nuvei also has significant exposure to the iGaming and sports betting industries. It currently has the authorization to operate in Colorado, Indiana, and West Virginia. Meanwhile, with 17 U.S. states already having legalized sports betting and several more expected to follow suit, the company's growth prospects look healthy.

Meanwhile, Nuvei also focuses on acquisitions to expand its geographical footprint. It recently completed the acquisitions of Smart2Pay and Base Commerce.

Cargojet

Before the pandemic, passenger aircraft carried around 40% of the global air cargo. However, many passenger aircraft are grounded amid the travel restrictions, leading to an increase in the demand for air cargo companies, such as **Cargojet** ([TSX:CJT](#)). In the first three quarters of 2020, the company's top-line growing by 38.8%. The growth in e-commerce sales has also contributed to the company's revenue growth.

Meanwhile, the demand for Cargojet's services could sustain even in the post-pandemic world, given the structural shift towards online shopping. Currently, e-commerce sales form just a 5% percentage of Canada's total retail sales, proving a considerable expansion scope. With its overnight delivery service and an array of 26 aircraft, Cargojet is well equipped to benefit from e-commerce growth.

Further, most of Cargojet's clients have signed long-term contracts with the company, thus proving its financial stability. Amid the pullback in high growth stocks, Cargojet trades at a discount of over 11% from its all-time high, offering an excellent buying opportunity.

Real Matters

Real Matters ([TSX:REAL](#)), which has created an efficient marketplace for mortgage lenders and insurance companies, is currently trading at over 38% lower from its all-time high. Its lower-than-expected fourth-quarter performance has weighed on its stock price. The company's management had blamed the increased use of waivers for refinance transactions by its customers for the weak performance.

Meanwhile, with the economic outlook still weak, the central banks will not raise the interest rates soon, which could benefit Real Matters. The company's management has set an optimistic outlook for the next five years. It hopes to expand its purchase market share in the United States appraisal segment from the current 4.6% to 7-9% by 2025, while the refinance market share could rise from 9.3% to 17-19%. The market share in the United States' title segment could also increase from 2.1% to 6-8% during the same period.

Amid the pullback in its stock price, Real Matters' valuation looks attractive, with a forward price-to-sales of 3.3 and a forward price-to-earnings multiple of 30.1. Given its high growth prospects and attractive valuation, [I expect Real Matters to deliver superior returns this year.](#)

Meanwhile, analysts look bullish on the stock, with seven of the eight analysts following the stock have given a "buy" rating, while one analyst has issued a "hold" rating. The consensus price target stands at \$\$24.71, representing a 12-month return potential of 21.5%.

CATEGORY

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TICKERS GLOBAL

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2. TSX:NVEI (Nuvei Corporation)
3. TSX:REAL (Real Matters Inc.)

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Date

2025/07/19

Date Created

2021/01/08

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