



3 High-Growth Canadian Stocks to Buy at a Steep Discount Today!

Description

[Canadian growth stocks](#) have been facing some serious pressure in the market over the past month. Concerns over rising 10-year bond yields, interest rates, valuations, and market rotations have led to broad selling, especially in higher-growth technology stocks. Many of these stocks sky-rocketed based on their durability through the pandemic. Yet, many were reaching nose bleed valuations and became the basis for speculation.

Great opportunities in Canadian growth stocks now

Yet, since February valuations for the high-growth sector have pulled back and I think it presents an attractive long-term entry point. Let's just be honest. These Canadian stocks in the short-term can be volatile and bounce up or down 10-15% in just one session. Yet, if you take a long-term approach they can be incredible opportunities to generate wealth. The key is to look for companies with solid balance sheets, innovative cultures, great capital allocation strategies, and thematic exposure to world-changing trends.

Lightspeed POS

One stock that certainly meets this criteria is **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). This Canadian growth stock is down 10% from the start of the year and 20% from its all-time highs in February. Certainly, it is still not exactly “cheap” by the traditional definition. It trades with a forward enterprise value to revenue of 24 times and a negative price to earnings (not earnings positive yet). This is one risk factor you have to consider

It has been making strong headways in adding customers and enabling merchants to operate through pandemic lockdowns. Consequently, its business has been far more resilient than many investors expected.

For the past four years it has average 40% revenue growth. Last year it grew by 55.8%. It has made some [key strategic acquisitions](#) and has multiple organic growth verticals that it can expand in 2021

and beyond (payments, merchant loans, cross-selling etc.).

There are still thousands of vendors across the globe that need to move to flexible omni-channel, point-of-sales systems. Consequently, Lightspeed has years of organic and acquisition growth ahead, making today a good time to get in.

Telus International

Telus International ([TSX:TIXT](#))([NYSE:TIXT](#)) may be a less-known Canadian growth stock. Of course, most Canadian investors recognize **Telus**. Yet, Telus International is a brand-new technology IPO listing in Canada. Since its public debut the stock has pulled back 13%. However, unlike Lightspeed, this growth stock is actually profitable and its adjusted EBITDA margins keep consistently improving.

Like Lightspeed, its revenue growth rate is comparable. It averaged 41% revenue growth over the past three years. In 2020, revenues were up 55%! This company is becoming a global leader in digital omni-channel customer experience (CX) technologies.

It has some really exciting growth verticals, especially in data analytics (through its Lionbridge AI acquisition), content management, digital customer strategy and cloud services. For a profitable, fairly-valued Canadian growth stock, today is a great time to get in on its digital growth horizon.

Enhouse Systems: A Canadian stock market legend

Enhouse Systems ([TSX:ENGH](#)) is another great growth stock that has stalled out in the market temporarily. The stock has not done anything since the start of the year. Yet, this is a great business. In fact, it is one of the best performing stocks on the **TSX** over the past 10 years.

Enhouse is a master at acquiring legacy technology businesses and revamping them into high cash-yielding software-as-a-service businesses. For the past five years, it has garnered a 17% adjusted EBITDA CAGR. This company is very profitable and produces a ton of free cash flow every quarter.

As a result, it is sitting on over \$230 million in cash on its balance sheet. It has a great management team who are experts at deploying capital. Be patient. Undoubtedly, it will put that excess capital to very profitable use and over time you will be glad you stuck with this great Canadian stock!

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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:TIXT (Telus International)
3. TSX:ENGH (Enhouse Systems Ltd.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:TIXT (Telus International)

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