



Got \$500? 3 Top TSX Stocks to Buy Now

Description

Got some extra cash lying around? There has been a growth stock [market correction](#) lately, as capital has rotated into value and cyclical names. Consider investing in these **TSX** stocks that have come off from their highs and could grow at an above-average pace for the long haul.

Enghouse Systems

Long-term investors in this TSX stock have been super happy. Since 2007, **Enghouse Systems** ([TSX:ENGH](#)) has grown shareholder value at 30% a year! In other words, it grew investors' money at a rate of almost 15 times in that period.

During the pandemic, Enghouse is helping by offering its secure cloud-based communications platform temporarily for free to organizations. Still, in fiscal Q1 2021, the company was able to increase its revenue by 7.6% and its adjusted EBITDA, a cash flow proxy, by 27.9% year over year.

With a clean balance sheet, \$230 million in cash and short-term investments, and strong cash flow generation, Enghouse has the funds to grow.

Seldom does the tech stock go on sale. Enghouse just corrected 20% from its all-time high. And analysts think it's discounted by about 20% with more than 25% near-term upside potential.

Notably, Enghouse has a proven track record of dividend growth. It has increased its dividend every year since 2009 with a five-year dividend-growth rate of 19%. It just increased its dividend again in March by 18.5%.

GoodFood Market

The pandemic provided the backdrop for the online grocery meal kit **GoodFood Market** ([TSX:FOOD](#)) to continue growing, as people aimed to avoid crowded grocery stores.

The young TSX stock, which was only founded in 2014, is stealing the hearts of Canadians with original weekly recipes, fresh ingredients, and convenient delivery. Active subscribers of 319,000, at the end of February, was a whopping increase of 30% from a year ago.

In fact, GoodFood just reported its fiscal Q2 earnings results yesterday. For the first time, it reported a record quarterly revenue that surpassed \$100 million, which was a 71% year-over-year increase. Additionally, it reported record gross profits of \$30.6 million, equating to a gross margin of 30.4%.

These results align with what it achieved in the 12-month period that ended in November 2020 — revenue growth north of 70% and expanded its gross margin to 31.4%.

The growth stock just corrected more than 40% from its all-time high earlier this year. If you were looking to buy or add shares to the TSX growth stock, now is the time to consider doing so! Over the next 12 months, Analysts anticipate 67% upside potential to the \$13.50 level, which would be incredible gains.

Cargojet

Cargojet ([TSX:CJT](#)) is another TSX stock that has legs to run. If you believe the e-commerce trend has a long way to go, you've got to get a piece of the time-sensitive overnight air cargo services provider that has a monopoly in Canada. Its fleet of all-cargo aircraft carries more than 1,300,000 pounds of cargo each business night!

Since 2011, [Cargojet stock](#) has grown investors' money at a rate of 21 times, delivered returns of roughly 35% per year! And this is *after* the recent growth stock correction!

The growth stock hasn't been this cheap for a long time. It appears to be bottoming, after the 30% correction from its recent high. Analysts estimate upside potential of 49% over the next 12 months.

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1. Editor's Choice

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2. TSX:ENGH (Enghouse Systems Ltd.)
3. TSX:FOOD (Goodfood Market)

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Author

kayng

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