



3 High-Growth Canadian Stocks to Buy With \$3,000

Description

The gradual improvement in the economy, favourable secular industry tailwinds, and revival in demand provide a solid foundation for outsized growth in Canadian stocks. So if you can invest \$3,000, consider buying these high-growth companies right now to handily outperform the benchmark index.

Enhouse Systems

Speaking of high-growth stocks, consider buying the shares of enterprise software solutions provider **Enhouse** ([TSX:ENGH](#)). The company performed exceptionally well in the past five years and increased its revenues at a compound annual growth rate (CAGR) of about 10%. Furthermore, Enhouse's profits have grown at a CAGR of 17% during the same period.

The strong growth in Enhouse's profits stems from the continued strength in its recurring revenue base, diversified product suite, and geographical expansion. Moreover, its ability to acquire and integrate businesses accelerates its growth rate further. Notably, Enhouse stock has lost about 33% of its value from the peak and is trading near the 52-week low. I see the decline as an excellent [buying opportunity](#) for investors willing to hold the stock for the medium to long term.

I believe Enhouse's focus on internal growth and acquisitions are likely to drive its revenues and profitability in the coming years. Furthermore, its robust operating cash flows will likely help fund future growth initiatives and minimize shareholder dilution. Enhouse has a zero-debt balance sheet. Meanwhile, it is focusing on enhancing its existing product portfolio to drive organic growth. Its high-quality earnings base and cost savings suggest that Enhouse could continue to hike its dividends at a solid double-digit rate.

goeasy

Like Enghouse, **goeasy** ([TSX:GSY](#)) is also known for consistently growing its revenues and profits at a solid double-digit rate. To be precise, goeasy's top line has grown at a CAGR of 12.8% since 2001. Meanwhile, its adjusted net income increased at a CAGR of 31% in the last 19 years. Thanks to its robust earnings, goeasy has raised its dividends by a CAGR of 34% in the past seven years.

goeasy's stellar operating performance has led to a massive appreciation in its stock price. It has increased by 2,168% in 10 years. Meanwhile, it has risen by 51% this year. I expect the [uptrend in goeasy stock](#) to sustain on the back of its solid momentum in its business and a large non-prime lending market.

I believe the improvement in the economy will continue to drive its loan portfolio and support its revenue growth rate. Moreover, new product launches, omnichannel offerings, geographic expansion, and strategic acquisitions are likely to bolster its growth rate. Also, strong payments volumes, higher penetration of secured loans, and operating leverage are likely to drive double-digit growth in its bottom line.

Dye & Durham

Dye & Durham ([TSX:DND](#)) has been growing its revenues and adjusted EBITDA at a very high rate over the past several years. Notably, its revenues jumped 300% during the most recent quarter. Meanwhile, its adjusted EBITDA recorded year-over-year growth of 267%. Synergies from its acquisitions and strength in its base business drive its financials, in turn, its stock.

Dye & Durham's revenue diversification and a large customer base support its top-line growth. Meanwhile, its blue-chip customer base and long-term contracts help in generating solid re-occurring revenues. I believe Dye & Durham's focus on acquiring businesses, growing revenues from existing customers, and global expansion could continue to drive its revenues and adjusted EBITDA at a breakneck pace.

The company expects its adjusted EBITDA to grow more than five times (from \$36.7 million in FY20 to \$200 million in FY22) in the next two years, which could give a significant boost to its stock. Dye & Durham has witnessed a healthy pullback from its peak and is an attractive high-growth long-term bet.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Tech Stocks

TICKERS GLOBAL

1. TSX:DND (Dye & Durham Limited)
2. TSX:ENGH (Enghouse Systems Ltd.)
3. TSX:GSY (goeasy Ltd.)

PARTNER-FEEDS

1. Business Insider
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Author

snahata

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