Looking for Growth? Check Out These 2 Beaten-Down, Top TSX Growth Stocks

Description

Some investors are skeptical about parking their money in growth stocks right now. Indeed, these concerns appear to be well founded today.

A growth-to-value rotation appears to be underway. Years of accelerating valuation multiples have driven growth stocks to unforeseeable heights. Accordingly, there's some room to be skeptical of these plays right now.

However, now may not be the best time to throw in the towel on growth stocks just yet. Here's why these two top TSX picks should be on investor watch lists right now.

Restaurant Brands

As far as growth at a reasonable price goes, **Restaurant Brands** (TSX:QSR)(NYSE:QSR) continues to be one of my top picks.

Why?

Well, this fast-food conglomerate has historically been one of the best growers in Canada over the longer term. The quality of Restaurant Brands's core portfolio of banners is undeniably strong. The company holds Tim Hortons, Burger King, and Popeyes Louisiana Kitchen within its quick-service restaurant portfolio. The growth these banners have seen over time has led to QSR stock trading at a relative premium to the market.

However, in recent years, Restaurant Brands has given up much of this premium. Growth has slowed at the Tim Hortons prior to the pandemic. But the pandemic was a big blow overall for Restaurant Brands's overall business.

That said, this is a company with a management team intent on changing the script moving forward. The company is making operational tweaks to get its Tim Hortons franchise back on the right footing. (Burger King and Popeyes are doing just fine in terms of growth, thank you very much). And with the pandemic (hopefully) coming to a close soon, there's a real reopening thesis with this stock.

Accordingly, I think now is the perfect time to load up on Restaurant Brands prior to the company reporting outwardly growth on the horizon. It's only a matter of time for this growth stock to get back to its growth ways. I think it's just taking a hiatus right now.

Kinaxis

Since its public listing approximately seven years ago, **Kinaxis** (TSX:KSX) has been a 10-bagger for investors. Indeed, the share price appreciation investors have seen with this stock over time has been impressive.

However, the past six months haven't been that great for Kinaxis. This stock is down approximately 40% from its all-time high at the time of writing.

Now, a significant portion of this decline can be related to a general selloff among growth stocks. Those sorts of underlying catalysts provide headwinds for growth stocks right now. However, a 40% dip is significant enough to warrant further investigation.

It appears Kinaxis's business model is one that has benefited greatly from the pandemic. The provider of supply chain management services is one of those plays in which the eventual economic reopening may not benefit. Accordingly, this stock is selling off prior to the economy fully reopening as many expect.

That said, one must consider what the future will look like coming out of this pandemic. I would argue that the software subscription model of Kinaxis is rock solid. I would also think that its customer base will likely view Kinaxis's product offering as essential moving forward.

Indeed, this is a tech growth play with a larger moat than many investors are giving the company credit for right now. Those with a longer-term investing time horizon may want to consider this beaten-down growth stock at these levels.

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TICKERS GLOBAL

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2. TSX:KXS (Kinaxis Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)

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