2 Top TSX Growth Stocks to Buy Before They Take Off This Year

Description

Interest rates have been on the rise, affecting growth stocks in the near term. However, of late, bond yields have come down somewhat. It appears investors are siding with the Federal Reserve on the idea of "transitory" inflation. Accordingly, growth stocks may have more room to run this year.

Indeed, if volatility slows down, growth stocks could once again take off. In Canada, these top two growth stocks are among the best positioned to do so.

Constellation Software

As far as Canadian tech stocks go, **Constellation Software** (TSX:CSU) remains one of the best.

This tech behemoth initially came to market via an IPO way back in 2006. At the time, the company was listed for $18.30. Investors who bought in then and held until now have seen a near-100 bagger, with shares quickly approaching $1,800 per share.

Constellation has done this via a series of smart and well-timed acquisitions. Indeed, this is a growth-by-acquisition play which has executed to perfection. The company has done more than 500 M&A deals, providing some serious revenue growth over time. The company went public with around $74 million in revenue. Today, the company does $1.2 billion in revenue.

Finding these growth compounders early is difficult. However, for those who believe in Constellation's playbook, now is as good a time as any to get into this growth play. The company's free cash flow of $270 million and cash hoard provide room for more deals on the horizon. I expect more value-creating deal making for long-term investors. Indeed, those bullish on the consolidation thesis in the software space ought to give this company a look.

Restaurant Brands

Another growth stock, **Restaurant Brands** (TSX:QSR)(NYSE:QSR) has tended to grow organically over time.

The company’s fast-food banners include the likes of Tim Hortons, Burger King, and Popeyes Louisiana Kitchen. Each of these banners is expanding aggressively. Indeed, the company’s focus on high-growth markets such as China provides a tremendous amount of growth-related upside for long-term investors.

That said, same-store sales have been on the decline somewhat of late. The pandemic has provided a stark headwind for this company.

However, those bullish on the recovery thesis will like the long-term growth prospects of Restaurant Brands. This is a company which has continued to grow its top and bottom lines substantially. Additionally, this company pays long-term patient investors a dividend yield of 3.2% just for sticking around. Seems like a good deal to me.

The company’s currently working on revolutionizing and digitizing its menu and product offerings. If these efforts prove successful, investors will kick themselves for not buying at these levels.

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