Top 2 Growth Stocks to Buy Right Now

Description

Growth stocks have had a rough run this year. After last year's stunning rise, many have been deflated, as investors pull cash out of the stock market. That means it's the perfect time to snap up stocks on discount. Here are the top growth stocks to buy right now.

Retail stock to buy right now

Canada Goose (TSX:GOOS)(NYSE:GOOS) is the ideal growth stock to buy right now. It's trading far below its peak. But it's perfectly positioned to rebound strongly in 2021.

For one, the company is expanding across China, which is a critical market for any luxury retailer. The Canada Goose brand is already pretty popular in China. Now, all the team needs to do is capitalize on this popularity, which should unlock tremendous growth.

The company is also expanding its product line beyond heavy winter coats and reinvesting in its online shopping platform to stay ahead of the game. These catalysts should all lead to much higher sales for the company in the years ahead.

Meanwhile, the stock is trading at 76 times trailing earnings and 27 times forward earnings per share. That's a reasonable valuation for a company with a long track record of stellar growth. This is probably one of the best stocks to buy right now.

Software stock to buy right now

Descartes Systems Group (TSX:DSG)(NASDAQ:DSGX) is well positioned to become a major player in the e-commerce logistics and fulfillment segments. The company has made a name for itself as a reliable provider of logistics and supply chain technology.

It supplies its cloud-based logistics and supply chain management software to clients worldwide. Its offerings strong demand in four industrial segments, including retail and manufacturing. The surge in consumer demand coupled with increasing reliance on virtual tech explains Descartes's impressive first-quarter results.

Revenues in the quarter were up 18% year over year to $98.8 million, topping analysts' estimates of $92.2 million. Net income nearly doubled to $18.4 million, or $0.21 a share, compared to $11 million, or $0.13 a share, reported a year ago.

Given that about 90% of Descartes's revenues are recurring, it is well positioned to generate long-term value. The business is already profitable and well positioned to continue growing, going by the impressive outlook in the pandemic recovery.

Descartes's valuation

Based on its price-to-sales multiple of 18 and price-to-book multiple of 6.9, Descartes could be considered overvalued. The stock is also trading at a price-to-earnings ratio of 95, which is perfectly fine for a high-growth software company.

Additionally, Descartes boasts a 10-year compound annual growth rate of 28.75%, affirming its growth metrics. Given the strong demand for its cloud-based logistics solutions, the company remains well positioned to post impressive numbers and generate significant value for many years to come. That said, it would be an ideal pick for investors eyeing exposure in the burgeoning supply chain management sector.

Bottom line

This is a great time to buy growth stocks. Investors are less excited about aggressive growth stocks, which has suppressed valuations. In my view, Descartes and Canada Goose are the top growth stocks to buy right now.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:GOOS (Canada Goose)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:GOOS (Canada Goose)

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1. Investing

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