2 Top TSX Growth Stocks That Look Cheap Today

Description

Managing one's portfolio requires managing one's risk/reward profile. And while hyper-growth stocks have outperformed thus far, the valuation multiple expansion these stocks have seen has driven most of the growth.

In this article, I'm going to discuss two defensive growth gems with tonnes of upside potential. These stocks are safer picks, providing more diversification than the meme stock favourites of today.

Let's dive in.

Restaurant Brands

As far as growth stocks trading at reasonable prices go, **Restaurant Brands** (TSX:QSR)(NYSE:QSR) is one of my top picks. There are several reasons for so. For starters, the fast-food conglomerate has a history of impressive long-term growth. Further, it has a diverse and robust portfolio of iconic brands, including Tim Hortons, Burger King, and Popeyes Louisiana Kitchen. Indeed, Tim Hortons's growth has taken a blow due to the pandemic-induced restrictions, prior to which the stock was trading at a premium.

That said, Restaurant Brands's management is making subtle operational tweaks to boost Tim Hortons and pull it back on its tracks. These moves should ensure the company's growth profile remains intact over the long run.

Burger King and Louisiana Kitchen are doing well on the growth front. These stocks haven't missed a beat and are outperforming like crazy right now. I expect outperformance across the company's portfolio of brands to continue over the long haul.

Long-term growth drivers, including increased penetration in growth markets in Asia make this stock appear cheap right now. Sure, the company is trading at a trailing earnings multiple around 40 times. However, on an improved forward-looking basis, I think there's a lot to like about Restaurant Brands's valuation right now.

Spin Master

Another defensive growth stock to consider right now is **Spin Master** (TSX:TOY).

Indeed, this toy manufacturer doesn't look that glamorous, at first glance. The company's product range and portfolio of IP, however, tell a different story. Spin Master has been able to provide innovation in the toy space unlike any of its peers. Additionally, the company's move into digital gaming has proved to be a high-growth endeavour investors like.

The company's revenue growth of 400% in its digital gaming segment is noteworthy. Indeed, the base Spin Master is growing off is small. Accordingly, these growth rates may be sustainable over the short term. However, there's no denying the potential the company's *Toca Life World* app has in today's digitized economy.

I think Spin Master's risk/reward tradeoff is among the best in terms of Canadian growth stocks right now. Accordingly, long-term growth investors would do well to pick up shares of this growth gem on any dips moving forward.

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