



Forget BlackBerry (TSX:BB): 3 High-Growth TSX Stocks I'd Buy Instead

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) beat the stock market's expectations when it released its first-quarter earnings last week. Despite many meme investors' pleasure, sales still fell year over year by 15% to \$174 million. Likewise, the company still suffered a net loss of \$62 million, or \$0.11 per share.

BlackBerry has a lot of buzz-word opportunities, but can it execute?

While the company has exposure to a lot of buzz-word growth opportunities, like electric vehicles, the internet of things, and cyber security, it consistently fails to produce growing revenues and earnings.

For a company that has had years to reinvent its business, it still seems challenged to focus on opportunities that are profitable. Certainly, prior to BlackBerry's precipitous 2021 rise due to Reddit investors, there might have been some underlying value in the stock.

BlackBerry stock looks overvalued

However, at these elevated prices, this [growth stock](#) just lacks that: growth. I might be wrong and it is on the precipice of something new. However, BlackBerry's price-to-sales ratio of nine times and an enterprise value-to-EBITDA ratio of 93 times seems extreme. As a result, I just wouldn't touch this stock today.

Forget BlackBerry and buy this high-growth stock instead

If you are going to own an expensive stock, then you might as well own one that keeps growing rapidly. **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is one of the fastest-growing stocks on the TSX today. In its fiscal 2021, it grew revenues by 84% and expanded its merchant locations by 56%.

Lightspeed is not yet profitable, but that is because it is investing heavily to expand its market

presence. For fiscal 2022, Lightspeed is projecting nearly 100% revenue growth!

This TSX stock recently made [a number of acquisitions](#) that could speed its growth plans even further. The pandemic has rapidly accelerated the adoption of omni-channel sales platforms. Lightspeed now has the capabilities and scale to broadly attract merchants across the globe.

Consequently, this stock has a real chance to continue its strong growth momentum ahead. I can't say the same about BlackBerry's stock, so that is why I put my bet with Lightspeed.

A high-growth IPO stock

Another growth stock I would buy over BlackBerry is **Telus International** ([TSX:TIXT](#))([NYSE:TIXT](#)). It just completed its initial public offering (IPO) in February. Finally, this stock is starting to see some upward momentum. TIXT provides solutions that help large businesses with their digital transformation and customer experience strategies.

Recently, TIXT made a key acquisition that expands its capacity in data analysis, artificial intelligence, and data annotation. It provides TIXT a core competence that many other competitors don't have.

Overall, TIXT is growing by 30% to 40% a year. Yet it is also highly profitable. Combine steady growth and exceptional profitability, and this stock's long-term horizon looks much more interesting than BlackBerry's.

An undervalued TSX growth stock

If you are looking for a value stock pick to buy over BlackBerry, **Sangoma Technologies** (TSXV:STC) looks interesting. This stock has been on a tough decline as of late. Yet, fundamentally, the business looks to be very well positioned going forward. Often, these market dislocations present great long-term buying opportunities.

Sangoma provides unified communications services, largely for small- to medium-sized businesses. Often, these businesses don't want the hassle of dealing with multiple service providers, so a one-stop shop like Sangoma is an ideal partner.

Since 2016, Sangoma has been growing by a CAGR of 58%. Not only that, but management is very focused on producing steady adjusted EBITDA and free cash flow growth.

It just made a major acquisition that should really propel the scale and scope of its business platform. It will report results from the combined entity next quarter, and I think that could be a positive catalyst for the stock going forward.

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2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:TIXT (Telus International)
4. TSX:BB (BlackBerry)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:STC (Sangoma Technologies Corporation)
7. TSX:TIXT (Telus International)

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