



Top 3 Growth Stocks on the TSX Today

Description

Investors looking for growth opportunities on the TSX today face elevated valuations and uncertain futures. Tech stocks have lost some appeal as the economy reopens, while rebound stocks seem to be losing their momentum, too. Your best bet is a stock that has plenty of room to grow over a long period.

Here are the top three long-term growth stocks on the TSX today.

WELL Health

WELL Health Technologies ([TSX:WELL](#)) offers the perfect mix of reasonable valuation and high growth potential. The stock is currently trading 15% below its all-time high. However, its revenue run rate has never been higher and is likely to keep accelerating in the near future.

WELL Health stock has two key growth drivers: consolidation and disruption. By acquiring smaller startups in different sectors and other countries, WELL Health adds incremental value for shareholders over time. Consolidating the trillion-dollar global healthcare market is its ultimate potential.

Meanwhile, the disruptive nature of its core technology is another growth driver. Recent acquisitions have expanded the core platform to medical data management, virtual healthcare solutions, and online pharmacy services.

That's why I believe [WELL Health stock could still be a multi-bagger](#), despite its size.

Canada Goose

Canada Goose ([TSX:GOOS](#))([NYSE:GOOS](#)) is another growth stock worth mentioning. The growth story has three legs: e-commerce, China, and product mix.

Over the past year, the Canada Goose team learned to adapt to the fact that all its stores were shut. The company invested heavily in its online shopping experience, and the results speak for themselves. Direct-to-consumer online sales soared 51% to \$172.2 million in the final quarter of fiscal 2021.

Revenue in China doubled over the same quarter. That's because the company is rapidly expanding the number of stores there. Chinese consumers are responsible for a third of global luxury demand, which makes them a critical audience for Canada Goose. In 2021, the team could secure its position as one of the strongest luxury outerwear brands in China.

Meanwhile, the team is expanding beyond outerwear. They've added lighter coats and new products to their lineup, which should expand the brand's appeal in countries with less-severe winters.

Constellation Software

Constellation Software ([TSX:CSU](#)) is Canada's best-kept secret. This growth stock has delivered a whopping 10,400% return since 2006. The team achieved this by acquiring and integrating over 300 software firms in various industries.

Constellation is essentially a landlord, but it collects rent on digital assets. These assets generate recurring monthly revenue through subscriptions and service contracts. The best part? Over half of the revenue is generated from government agencies. That means the risk of default or non-payment is substantially lower.

Constellation's growth doesn't hinge on the business cycle. During booms the valuation of its underlying portfolio rises. During busts, valuations for acquisition targets plunge, making it easier for Constellation to absorb them. It's a model that's worked for over three decades.

Now, Constellation is taking this business model beyond software. The company recently announced that it will expand its investment universe beyond software companies. That makes it one of the most compelling growth opportunities on the TSX today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:GOOS (Canada Goose)
4. TSX:WELL (WELL Health Technologies Corp.)

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