



3 High-Growth Canadian Stocks to Grab in August

Description

Are you looking for quality growth stocks to buy in August?

If so, you still have plenty of options to choose from. A year and a half of steady stock market gains have driven stocks to new highs, but there are plenty of high-growth plays that have enough going for them to justify their multiples. Particularly in the tech sector, earnings are coming in very strong this year. It's in this sector that you're likely to find stocks with plenty of upside from here on out. With that in mind, here are three high growth Canadian stocks to grab in August.

Constellation Software

Constellation Software ([TSX:CSU](#)) is a diversified Canadian tech holding company. It develops enterprise software for public and private sector customers. The company tends to lock in recurring long-term revenue by going after big clients that will pay for years and years. This strategy has worked out, as CSU stock has risen more than 10,000% since its 2006 IPO.

On August 5, investors will get a look at CSU's second-quarter earnings. They will be very important. In the most recent quarter, the company experienced strong revenue growth but negative earnings. Growth is always good, but there were some concerns about EPS in the quarter. So, the second-quarter report will help shed light on whether CSU can return to profitability this year.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is another TSX tech stock with earnings coming up soon. Its release is set for tomorrow after market open, and there's a lot riding it. Shopify achieved revenue growth in excess of 90% in all of the prior four quarters, and analysts aren't sure whether it will be maintained in this quarter. For Q2, Shopify will have to beat a prior-year quarter that already had the "COVID boost" in the equation. E-commerce companies [saw a sales boost in 2020](#), because retail closures led to more people shopping online. In 2021, pandemic regulations are easing up, so Shopify may no longer have that benefit. Revenue will likely be higher this year than last year, but the rate of

growth could slow down considerably. If it doesn't, then SHOP is likely to continue rising from here.

Lightspeed

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) is another TSX tech stock that got a boost from the COVID-19 pandemic. It's a retail POS company that also [offers e-commerce services](#) similar to Shopify's.

Like Shopify, it experienced significant growth in fiscal 2020. In its most recent quarter, it grew revenue at 127% year over year, and gross transaction volume rose considerably. On August 5, Lightspeed will be releasing earnings. When they're released, investors will get to see whether the stock can keep up the high growth it delivered in 2020 into 2021. There's a lot of potential here. Lightspeed is involved in both e-commerce and retail POS, so it can actually benefit from the post-COVID reopening. If it does, then its stock likely has more gains to post from here.

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1. Investing
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Author

andrewbutton

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