



## 2 Top Mid-Cap TSX Stocks That Could Grow to Become Multi-Baggers

### Description

Mid-cap TSX stocks, or shares of firms with market caps below \$5 billion are [choppy](#), but they could have greater room to run versus the likes of Canada's behemoth blue chips. In this piece, we'll have a closer look at two of my favourite mid-cap Canadian stocks that could give the broader markets a good run for their money over the next two to three years.

Undoubtedly, it's going to be a volatile time. But if you've got strong hands, you could be able to achieve some pretty [stellar](#) results with the likes of the following names.

### Aritzia

**Aritzia** ([TSX:ATZ](#)) is a \$4.1 billion women's clothing company with a stock that's hot fashion right now. Shares have blasted off over 106% in the past year, thanks in part to soaring demand for fashionable articles of clothing. Undoubtedly, the U.S. expansion is starting to pay some real dividends.

The relatively untapped market could be key to taking Aritzia's growth profile to the next level. The brand isn't just well known in Canada anymore. At this pace, I wouldn't at all be surprised if it became a household name like **Lululemon**, another Vancouver-based company that I've compared Aritzia to numerous times in the past.

Could Aritzia evolve to become a multi-bagger one day?

Of most mid-cap Canadian stocks, I'd argue that Aritzia has the greatest chance. The momentum, I believe, will be hard to stop, as the firm continues firing on all cylinders with one of the best omnichannel presences of any Canadian retailer.

If management can continue to execute its expansion in the red-hot U.S. market, I think today's valuations are way too cheap. The stock trades at 65.5 times trailing earnings (expensive, I know) but a modest 4.1 times sales. Indeed, the valuation doesn't deviate too much from the apparel retail industry average. Given Aritzia's growth could accelerate in a big way in a post-COVID world, I'd argue shares should trade at a richer premium to the peer group.

Aritzia is a great buy in my books, even after more than doubling in a year. Moving forward, I think there's a pathway to doubling up again.

## Badger Infrastructure Solutions

**Badger Infrastructure Solutions** ([TSX:BDGI](#)), formerly known as Badger Daylighting, is a \$1.2 billion company that's one of Canada's best ways to play an increase in infrastructure spending. It's a non-destructive soil excavator that's able to bring its "daylighting" services to sites where it's needed. The company owns a fleet of trucks with hydrovac equipment. Such equipment uses pressurized water to dig holes in the ground alongside a maneuverable vacuum that sucks up all the mud and debris generated.

It's a dirty job. But an essential one in the early innings of what could be a historic economic boom. Think about all the buried infrastructure (like pipelines) that are in need of servicing, upgrades, and all the sort over the coming years.

Badger stock has been under some pressure of late, shedding 28% of its value since May 2021. Led lower by less-than-stellar earnings results, Badger stock has fallen into a hole but it's one it's likely to dig itself out in the second half of 2021, as COVID-19 headwinds fade.

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2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)

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