



2 Cheap Canadian Growth Stocks to Buy Right Now

Description

With the Canadian stock market near all-time highs, reasonably priced [growth stocks](#) are more challenging to find. Often, when we think of growth stocks, our first thought is the technology sector.

Stocks such as **Constellation Software**, **Shopify**, or **Lightspeed POS** are likely first to mind. Yet often these stocks trade at nosebleed valuation multiples that can be difficult to stomach. They are hardly ever cheap, and if they are, they don't stay cheap for long.

Not every Canadian growth stock is a tech stock

If you are willing to dig a little, you can find [stocks in a wide variety of sectors](#) that are both growing and undervalued. The absolute best investment combination an investor can imagine is a stock that is consistently growing revenues/earnings/cash flows but is also getting an uprating in its valuation multiple at the same time.

You can think of it like a stock running on an escalator. The rest of the market is walking on the ground, but these stocks are flying past twice as fast. The stock does not even need to be in an exciting sector. A great example of this is **Boyd Group Services**. It owns, operates, and acquires auto body shops across North America. It has done this by consolidating a very “mom-and-pop” industry and using its scale to attract preference by insurers.

Perhaps this isn't the most exciting business, but there is nothing boring about a 1,678% return over the past 10 years. If you are looking for similar success, here are two Canadian growth stocks that you may want to put on your radar before it's too late.

Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) has a pretty solid track record of delivering solid returns for investors. If you'd bought this stock 10 years ago, you'd be sitting on a 560% gain (not including dividends and spin-outs). Yet Brookfield provides a great combination of value, diversity,

defence, and growth.

BAM is one of the world's largest alternative asset managers in the world. It has over \$600 billion of assets under management and growing. It manages real assets like infrastructure, real estate, renewables, insurance, and private equity all over the world.

Over the past five years, it has been growing assets under management and distributable earnings by a CAGR of 26% and 33%, respectively. While this stock is hitting new highs, one could argue that it still trades below its intrinsic value. All around, it is a great Canadian stock to just tuck away and hold for a long time.

Calian Group: An under-the-radar Canadian growth stock

Like Brookfield, **Calian Group** ([TSX:CGY](#)) has a diversified array of operations. It provides complex solutions in learning, healthcare, IT/cybersecurity, and advanced technologies. Since it largely serves institutional investors like the Canadian military, not many people have heard of it.

This company has been growing revenues and EBITDA annually on average by 13% and 14% over the past five years. However, since last year, growth has accelerated based on very strong organic growth and some interesting acquisitions.

Since 2020, it has made seven acquisitions that have broadened its geographic exposure (especially to Europe), [expanded its services range](#) (especially in satcom and cybersecurity software), and diversified its customer mix. This Canadian stock has a strong balance sheet with \$65 million of net cash, so further acquisitions are certainly possible.

All around, this is a solid business to own. Despite improving margins, a strong backlog, and a steady growth trajectory, it only trades with a forward price-to-earnings ratio of 17 times. To me, it looks like a bargain today.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:CGY (Calian Group Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. robbybrown

Category

1. Investing
2. Stocks for Beginners

Date

2025/07/21

Date Created

2021/08/06

Author

robbybrown

default watermark

default watermark