



Here's My Top High-Growth TSX Stock to Buy Right Now

Description

There are many great high-growth stocks on the TSX these days. Many of them have continued [marching higher](#) after suffering a blow to the chin in what was a nasty first half of the year for the high-multiple growth plays. Indeed, if you acted as a contrarian, you likely snagged many bargains, as inflation woes and rates steadily calmed.

Moving forward, rates could easily climb again, sparking a correction in the [more expensive growth plays](#). Still, with inflation showing signs of slowing down south of the border, I'd argue that such a correction is now less likely, and that any rise in the U.S. 10-year note yield will not have a devastating impact on the broader markets.

Instead of focusing on difficult-to-predict macro events, consider scooping up shares of businesses you deem as wonderful. When it comes to high-multiple growth stocks, you'll need a strong stomach and conviction to buy more shares on the inevitable dips that come along. Indeed, it's tough to evaluate high-growth TSX stocks that have yet to generate a profit. Still, one must not neglect their discounted cash flow analyses and pay up any price for a stock that's picking up momentum.

Although high traditional valuation metrics are a no-fly zone for value investors, I'd argue that it's a mistake to shun the names on the all-time high list. Many such quick runners may not be worth the high price of admission, but they could be worth even more, as liquidity flows into the winners that have shown that they're capable of continuing winning.

High-multiple growth stocks can be cheap, too

Just because a stock is expensive or has a high multiple (like a price-to-sales multiple) doesn't mean it's overvalued. If you've got a competent management team, a long growth runway, and an offering that's a cut above the competition, you may have an expensive stock that's actually undervalued. In a prior piece, I referred to such high-growth TSX stocks, like **Shopify**, as expensive stocks that aren't as expensive as they could be.

Growth investing isn't everybody's cup of tea. Volatility is nearly a guarantee.

Still, if you've got space for such a name and are aware of the potential for near-term choppiness, consider **Nuvei** ([TSX:NVEI](#)), an electronic payment-processing company that I'd pounded the table on a few months ago when shares first went public on the TSX.

The Montreal-based fintech company recently clocked in an incredible second quarter that sent shares flying over 13% in a single trading session. Revenues were up 114% year over year, but it was nearly \$33 million in cash flows that really dropped jaws. On Wednesday, Nuvei stock added to its gain, adding another \$6, or 5%, to its price on the back of a few analyst upgrades.

Queue the analyst upgrades for Nuvei stock!

Undoubtedly, it was Credit Suisse's Timothy Chiodo that really got investors excited with a Street-high price target of \$181 and change, which implies an additional 45% worth of upside from today's levels.

It was an incredible quarter for Nuvei, and I think Chiodo is right on the money to be so bullish. Although I'm not a huge fan of chasing after near-term pops, I'm willing to make an exception with Nuvei. It's a TSX newcomer, but it's really hard to ignore the growth. The stock is now up over 170% from its first closing price on September 18.

The bottom line on high-growth TSX stocks like Nuvei

At over 25 times sales, Nuvei is not a cheap stock. But for the magnitude of growth the firm is capable of, I'd argue that the name is a relative bargain.

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