



Top TSX Growth Stocks Ready to Soar in Q3

Description

With the stock market closing at an impressive number of record highs this year, it's clear that investors are betting on a rather bullish outlook for the economy. Stocks that have seen continued top-line [growth](#) have outperformed those in “value” sectors. However, such growth stocks are now approaching valuations that may not make sense for some long-term investors.

However, the **TSX** happens to have some high-quality growth stocks that may not be as overvalued as U.S. tech stocks or pockets of the Canadian market. Let's dive into two such top picks among this group.

Top growth stock: Spin Master

For investors seeking top growth stocks on the TSX, **Spin Master** ([TSX:TOY](#)) continues to remain an option worth considering. Indeed, this stock's proven track record is hard to ignore. Spin Master has managed to deliver returns to its shareholders in both favourable and unfavourable times.

This defensiveness is extremely rare for a discretionary play. In my view, that's one of the reasons why investors would be remiss by ignoring this company.

Spin Master's focus has been on producing, marketing, and licensing out its children's branded IP and toys. However, in recent quarters, Spin Master has seen a substantial shift in its revenue mix. The company is increasingly focusing on generating higher growth via its digital gaming division.

This growth has resulted in Spin Master's digital gaming segment becoming a meaningful part of the company's overall revenue mix. Analysts expect this driver to take Spin Master's profitability and margins on a nice ride over the long term.

Indeed, for a company trading at only [33-times earnings](#), this is one of the growth stocks I think investors need to have their eye on today.

Top growth stock: Constellation Software

Perhaps one of the best long-term growth stocks on the TSX in recent decades has been **Constellation Software** ([TSX:CSU](#)). Given the fact that not much has changed about this company, Constellation remains high on my list of top growth stocks for investors to consider right now.

This growth-by-acquisition play in the software space hasn't slowed down in terms of its core growth driver. Mergers and acquisitions activity remains strong, with the company pursuing a number of accretive deals of late. Indeed, over the company's history, Constellation has managed to integrate over 500 companies into its portfolio. Until growth in this sector slows, it's hard to make the case against this growth gem.

Indeed, the opportunity for continued M&A in the software space is seemingly unlimited. The supply of companies requiring venture capital or outright acquisition has skyrocketed, faster than demand. I think this macroeconomic environment is broadly bullish for Constellation shareholders.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:TOY (Spin Master)

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. arosenberg
2. chrismacdonald

Category

1. Investing
2. Tech Stocks

Date

2025/09/09

Date Created

2021/08/29

Author

chrismacdonald

default watermark

default watermark