



2 Canadian Monster Growth Stocks in the Making

Description

Investing in some cheap growth stocks for the long term is one of the best ways for investors to double or even [triple their hard-earned money](#) in a short period of time. While picking a cheap stock to buy, you must also pay attention to its long-term growth prospect rather than solely looking at its stock price and recent stock performance. In this article, I'll highlight two of the best Canadian monster growth stocks that long-term investors can buy to get outstanding returns on their investments.

Lightspeed stock

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is my first stock pick for Canadian investors who want to buy some of the best Canadian high-growth stocks. It's a Montréal-based tech firm that primarily focuses on providing cloud-based commerce-enabling software-as-a-service (SaaS) platform to businesses. LSPD's easy-to-use omnichannel SaaS platform helps businesses simplify their operations and make them more efficient at the same time. Its **TSX**-listed stock currently trades at \$156.85 per share with 71% year-to-date gains.

The COVID-19-related headwinds affected its financial growth in a couple of quarters last year. Nonetheless, Lightspeed still managed to post strong 84% YoY (year-over-year) sales growth in its fiscal year 2021 (ended in March 2021). It was much better than its sales growth rate of 56% in the previous fiscal year. Similarly, its adjusted gross profits grew by 64% YoY in fiscal 2021 compared to 44% growth in the previous year. Even after facing pandemic-related blows, Lightspeed's outstanding growth helped [its stock rally](#) by about 149% in 2020.

However, the growth story of this Canadian monster growth stock seems to have just started. In the first quarter of its fiscal year 2022, LSPD's revenue-growth rate accelerated further to about 220% YoY, while its gross transaction volume increased by 203% from a year ago. Its commerce solutions are fast gaining popularity among businesses globally — especially among small- and medium-sized businesses. I expect this massive Canadian growth stock to continue soaring in the coming years, as rising economic activities help it expand its business further.

Magnet Forensics stock

Magnet Forensics ([TSX:MAGT](#)) is my second stock pick for investors who want to buy some Canadian monster growth stocks right now. It's a very tiny Canadian tech company — based in Waterloo — compared to Lightspeed. At the time of writing, MAGT has a market cap of just \$471 million compared to Lightspeed's over \$22 billion market cap. Nonetheless, Magnet's unique product offerings and fast-expanding customer base make it one of my favourite Canadian high-growth stocks to buy today.

Magnet Forensics's investigative software tools help organizations deal with cybercrimes by analyzing their data from various sources. Currently, the company has over 4,000 public and private sector organizations from more than 90 countries in its consistently growing client base.

In the June quarter, Magnet's revenue grew by 42% YoY, as it reported an excellent adjusted gross profit margin of nearly 94%. Apart from its fast-growing financials, the company is also focusing on expanding its business through quality acquisitions. Earlier this month, Magnet [acquired](#) DME Forensics, which develops video and multimedia evidence solutions. This acquisition is likely to accelerate Magnet Forensics's growth further in the coming years. While its stock has risen by 128% in the last four months, it has seen 22% value erosion in September so far. That's why I recommend long-term investors buy this cheap, high-growth Canadian stock before it starts rallying again.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:MAGT (Magnet Forensics)

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