



## 3 High-Growth TSX Stocks to Buy in October 2021

### Description

**TSX** growth stocks are seeing a [pullback](#) as we enter October 2021. Certainly, there is a lot to worry about (the fourth COVID-19 wave, supply chain challenges, inflation, geopolitical concerns with China, rising interest rates, etc.). Frankly, there is always something the stock markets have to worry about. A pullback in stocks was likely due. It is actually healthy for some froth to dissolve.

Yet, overall, stocks have and likely will be the place to keep your money. While [interest rates could rise](#) early next year, chances are good that they won't explode up. Consequently, there are not many alternatives to capture a strong inflation-adjusted return than with stocks.

My focus continues to be on stocks with good balance sheets, strong management teams, great solutions, and ample room to grow. Three TSX stocks that meet these criteria are **Telus International** ([TSX:TIXT](#))([NYSE:TIXT](#)), **Nuvei** ([TSX:NVEI](#)), and **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)).

## Telus International: A top 2021 IPO stock

Telus International has held up relatively well in the midst of the recent market turmoil. Likewise, after a recent secondary offering, this TSX stock quickly rebounded. Certainly, technicals can be deceiving, but it is a good sign that it has held up.

TIXT has a broad platform of digital transformation solutions. These solutions are gaining a lot of traction with some of the world's largest corporations, especially tech businesses (like Google). It has a unique focus on digital customer experiences. TIXT utilizes artificial intelligence and advanced data analytics to help businesses elevate their customer relationships.

It has been growing revenues and adjusted EBITDA by nearly 35% and 50% year over year, respectively. It is not often you find a well-established business that is growing at that rate. Likewise, it is also very profitable. This TSX stock has a bit of debt, but given strong free cash flows, it is paying it down rapidly. It is not a cheap stock, but given its large opportunity to grow and win large customers, it isn't overly expensive either.

## Descartes Systems: A TSX stock helping improve the global supply chain

We have all been hearing about massive global supply chain disruptions this year. One company with solutions that help alleviate these challenges is Descartes Systems. It operates the world's largest multi-modal logistics network. It also provides a wide variety of cloud-based software solutions for automating and streamlining shipping, freighting, distributing, and e-commerce delivery operations.

Generally, once adopted, these solutions become critical for its customers. Consequently, revenues are sticky, highly recurring, and very predictable. In its recent second quarter, it grew revenues, net income, and adjusted EBITDA year over year by 25%, 120%, and 36%, respectively. Both revenue growth and profitability have been accelerating. With scale, this business just gets more and more attractive.

The company has \$128 million in cash and zero debt on its balance sheet. This gives it incredible optionality to grow organically and through acquisition. This is not a cheap TSX stock. However, buying it on any pullback has historically been a great opportunity.

## Nuvei: A leading TSX digital payments stock

Considering its elevated valuation (it trades with a price-to-sales ratio of 37 times), Nuvei is certainly a bit riskier than the stocks above. Since last week, this TSX stock has been on a pretty steep decline of about 10%. Yet, for long-term investors, this could be an opportunity.

[Nuvei](#) is filling a niche by acquiring and building out specialized payments solutions (in currency, crypto, online gambling, e-commerce, gaming, etc.) for merchants and consumers across the world. In its most recent quarter, its payment volumes exploded 146% to \$21.9 billion. Likewise, revenues and adjusted EBITDA increased 114% and 112%, respectively. The company produced some pretty great earnings and also raised its outlook and growth targets for the year.

Scale, momentum, and large opportunities make this business more and more attractive the larger it gets. As a result, this TSX stock could be a great buy on a major pullback for forward-thinking investors.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:TIXT (Telus International)

3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:NVEI (Nuvei Corporation)
5. TSX:TIXT (Telus International)

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