



2 High-Growth TSX Stocks to Buy Today

Description

If you just started investing, you may feel a bit betrayed by the words “high-growth **TSX** stocks.” Since September, traditional TSX growth stocks (especially [tech stocks](#)) have not been “growing” at all. Instead, value and cyclical stocks are suddenly outperforming. For example, the **S&P/TSX Capped Information Technology Index** is down 11.4% since the start of September, whereas the **S&P/TSX Capped Energy Index** is up 21.6%!

Well, if you are a trader, this is undoubtedly a concern. Nobody can time what the market will do from day to day. However, if you are an investor in a real business with long-term growth prospects, here are some answers.

When it rains, put out the bucket

Warren Buffett famously said, “Opportunities come infrequently. When it rains gold, put out the bucket, not the thimble.” Sure, there is a wall of worry to consider (rising bond yield, Chinese debt crisis, the U.S. government shutdown, and — oh yes — COVID-19, etc.). However, when worry outweighs optimism, long-term investors can snatch TSX growth stocks at better valuations.

Two high-growth stocks on the TSX that look attractive right now are **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)) and **Nuvei** ([TSX:NVEI](#)).

BRP: A value-priced TSX growth stock

If you've felt pent-up during the pandemic, BRP has a solution to that problem. It manufactures and sells all-terrain and aquatic recreational vehicles. Some of its well-known brands include Sea-Doo, Ski-Doo, Can-Am, and Evinrude. Over the past five years, this company has delivered a pretty great 340% return.

In that time frame, this TSX stock has expanded revenues by a steady ~9% compound annual growth rate (CAGR). What excites me is that it has grown EBITDA and earnings per share by even faster

CAGRs of 16.8% and 25.8%, respectively!

Today, this business is fairly [cheap](#). It trades with a price-to-earnings (P/E) ratio of just 11 times. Certainly, BRP is a bit more cyclical than other growth stocks. It is also being pressured by supply chain challenges.

Yet, it just had an outstanding quarter with revenues and diluted earnings per share rising respectively 54% and 72% year over year. As the pandemic abates, a lot of people have discretionary cash. People are eager to get out, travel, and enjoy the outdoors again. That should continue to support strong demand for BRP's products. As a result, I think this TSX stock will continue to kick out solid returns for many years ahead.

Nuvei: An ultra-growth TSX fintech stock

Nuvei is a relatively new stock on the TSX. It completed its initial public offering (IPO) just about this time last year. So far, it has performed resoundingly well. Over the past year, it is up nearly 200%!

It provides payment solutions to a broad array of merchants across the world. Nuvei has a purpose-built platform that caters across currencies, payment options, and even cryptocurrencies. It has a specific focus on high-growth verticals like gaming, gambling, e-commerce, fin-tech services, and travel.

Last year, it grew revenue, EBITDA, and normalized earnings per share by 87%, 86%, and 93%, respectively. In its most recent quarter, payment volumes increased year-over-year by 146% to \$21.9 billion. Likewise, revenue grew year-over-year by 178% to \$178 million. Adjusted EBITDA grew by 112% to \$79 million. Right now, it produces a 45% adjusted EBITDA margin on revenues. However, as it scales its platform, management believes that could reach as high as 50%.

This means, with scale, this company could be extremely profitable. Management raised its 2021 outlook in the quarter, and it will soon be [listing in the United States](#). This could be a catalyst to capture new shareholder attention. As a result, today is not a bad time to pick up some shares in this exciting TSX growth stock.

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1. Investing
2. Tech Stocks

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2. TSX:DOO (BRP Inc.)
3. TSX:NVEI (Nuvei Corporation)

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