



## 3 High-Growth Canadian Stocks to Buy Ahead of Earnings

### Description

Despite Canada's annual inflation rate rising to 4.4%, an 18-year high, the Canadian equity markets have continued their uptrend, with the **S&P/TSX Composite Index** rising 0.5% yesterday. Investors' optimism over improving corporate profits appears to have driven the index higher. Meanwhile, amid growing investor confidence, here are three high-growth Canadian stocks that you can buy ahead of their earnings.

### goeasy

With its stock price rising over 98%, **goeasy** ([TSX:GSY](#)) is one of the top performers this year. Its strong performance, optimistic three-year guidance by the management, and strategic acquisition of LendCare appear to have driven its stock price higher. Meanwhile, it will [report its third-quarter earnings](#) after the market closes on November 3.

For the quarter, analysts expect goeasy's revenue and adjusted EPS to be about \$219.27 million and \$2.78. These forecasts represent year-over-year growth of 35.5% and 39%, respectively. The demand for the company's services is growing amid the easing of restrictions and economic growth. Besides, the company's geographical expansion, strengthening of digital channels, and addition of new business vehicles due to the acquisition of LendCare could boost its financials.

Further, goeasy's long-term outlook also looks healthy. The management has projected its loan portfolio to increase from \$1.8 billion at the end of the second quarter to \$3 billion by 2023. So, given its healthy growth prospects, [I am bullish on goeasy ahead of its earnings](#). Meanwhile, analysts are also optimistic about the stock, with all the seven analysts issuing a "buy" rating. Their consensus price target stands at \$221, with an upside potential of over 15%.

### Kinaxis

**Kinaxis** ([TSX:KXS](#)), which offers supply-chain solutions on a subscription basis, has underperformed the broader equity markets this year, with its stock price rising just 6.2%. However, due to labour

shortages, clogged seaports, and higher shipping expenses, many retailers are struggling to meet customers' demands. So, amid the crisis, I expect the demand for Kinaxis's services to rise.

Meanwhile, Kinaxis will post its third-quarter earnings after the market closes on November 4. For the quarter, analysts expect the company's revenue to come in at \$77.64 million, representing year-over-year growth of 5.8%. The addition of new customers and solid underlying business could drive the company's sales during the quarter. However, its adjusted EBITDA could decline by 27.3% to \$9.81 million.

Further, Kinaxis's management has provided optimistic guidance for this year, with its revenue projected to come in the range of US\$242-US\$247 million. The guidance represents year-over-year growth of 8-10%. Meanwhile, analysts are bullish on the stock, with all the 10 analysts issuing a "buy" rating. Their consensus price target stands at \$202.57, with an upside potential of 5.8%.

## Lightspeed Commerce

My final pick would be **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), which will report its second-quarter earnings on November 4 before the market opens. For the quarter, analysts project the company's revenue to grow over 170% to US\$124.06 million. The addition of new customer locations, higher gross transaction value, and acquisitions over the last four quarters could boost the company's revenue.

Over the previous 12 months, Lightspeed has acquired ShopKeep, NuORDER, Vend, and Ecwid. The introduction of new innovative products and geographical expansion could also support the company's growth. However, amid the recent bearish report from Spruce Point Capital Management, Lightspeed is trading over 28% lower from its recent highs.

So, I believe investors should take advantage of the correction to accumulate the stock to earn superior returns. With 14 of 18 analysts issuing a "buy" rating, analysts also look bullish on the stock. Their consensus price target stands at \$143.25, with an upside potential of 21%.

### CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:GSY (goeasy Ltd.)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:LSPD (Lightspeed Commerce)

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