3 High-Growth Canadian Stocks to Own for Decades

Description

It has been a rollercoaster for Canadian stocks lately, especially growth stocks. However, that is the way of the market. It dips, it rises, it flatlines, repeat. While the stock market is incredibly efficient, human emotions are not. Consequently, volatility in the market is inevitable and normal.

One way to counter this is to own growth stocks like a business owner and own them for the long run. Despite the market's ups and downs, stocks go up far more often than they go down. For long-term stock owners in great quality businesses, the odds of success are weighted in your favour.

If you have years, even decades to allow great companies to compound your wealth, three Canadian growth stocks I would consider owning are **Aritzia** (TSX:ATZ), **Sangoma Technologies** (TSXV:STC), and **Topicus.com** (TSXV:TOI).

A top Canadian fashion stock

Aritzia stock is up nearly 20% over the past five days and 95% year to date. It just released phenomenal second quarter 2022 results. Its sales grew year over year by 60% to $350 million. Similarly, adjusted EBITDA increased almost 500% over last year and 100% over 2020! Growth has been supported by its investment into e-commerce and a growing presence in the United States.

This Canadian stock has a market cap of $5.5 billion. Yet, it is at a major inflection point. The U.S. clothing market is over 10 times that of Canada. Aritzia is still in the early stages of expanding in America. There could also be ample growth from international markets, which are still untapped. This stock is pretty expensive today. Yet, for a decade-long opportunity, Aritzia looks pretty intriguing.

A top small-cap tech stock

With a market cap of only $487 million, Sangoma Technologies looks attractive today. This Canadian stock provides a wide array of unified and cloud-based communication solutions for small-to-medium-sized businesses across the world. After delivering very strong fiscal 2021 results last month, its stock

has risen nearly 17%.

It is nearly done integrating a major acquisition from this year. It has expanded its margins, increased its recurring revenue base, expanded its scale, and increased profitability. With increased business exposure to the United States, Sangoma is planning to list its shares on American stock exchanges soon.

Despite strong growth *and* profitability, this Canadian stock trades at a steep discount to its American peers. The U.S. listing should be a catalyst for the stock to rise in 2022 and beyond.

A Canadian tech stock in Europe

Topicus.com is an interesting Canadian stock if you want exposure to Europe. Early this year, it was spun out of Constellation Software. Its primary focus is acquiring and rolling up niche vertical market software (VMS) businesses in the Netherlands and Western Europe. Its software targets the financial, health, and education sectors.

Generally, its software captures highly recurring revenues. Generally, these are very sticky because they are mission-critical for their clients. This company has been growing revenues and EBITDA by around 18% and 25% per year, respectively. Yet, in 2021, acquisitions have accelerated, so it could surpass historic growth rates this year.

Since its spin-out, the stock has soared almost 120%! It is not cheap by any means. However, given its strong management team led by Constellation executives, large market to consolidate, and great ability to allocate capital, this is a top Canadian growth stock to buy and hold for decades ahead.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)
2. TSX:STC (Sangoma Technologies Corporation)
3. TSXV:TOI (Topicus.Com Inc.)

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