



November Buys: 3 Top Canadian Growth Stocks

Description

Growth stocks seem to be a top choice among Canadian of late. And for good reason. [Growth](#) has continued to outperform value, by one of the widest margins in history. This past decade has been one of the most bullish shifts in history away from value – a scary proposition for long-term investors.

That said, there are some great top-notch growth stocks out there. Here are three of my top picks right now.

Top Canadian growth stocks: Kinaxis

Kinaxis ([TSX:KXS](#)) provides subscription-based supply chain solutions. Its cloud-based software assists customers throughout the supply chain management process. This business model has been a hit over the past year, driven by the stress put on the supply chain from a rebound in demand following the pandemic.

Kinaxis stock has continued higher this year, though certainly not at the pace of recent years. This is a growth stock with a lot of forward expectations built-in. However, given the long-term secular catalysts underpinning Kinaxis, I like how this stock is positioned for growth from here.

This company provides long-term investors with a stable growth trajectory, and an impressive outlook for decades to come. It's a winner.

Open Text

Open Text ([TSX:OTEX](#))(NYSE:OTEX) is a cloud-based information solutions provider to big enterprises. The company has a massive installed base of 100m+ users covering over 10,000 companies worldwide. Nearly 90% of the company's revenues are recurring.

These are important factors to consider.

Why? Well, the company's revenues are highly diversified. Concentration risk is minimized, and investors have high sales visibility. Given the fact that Open Text sees 95% of its revenues originate outside of Canada, Canadian investors get some geographical diversification with this stock as well.

The company reported relatively strong results this past quarter. Its revenue growth came in around 22% year-over-year. Adjusted EBITDA was also up double digits over the same range.

For investors looking for a long-term Canadian growth stock to own, Open Text is an intriguing choice.

Constellation Software

One of my top picks in the Canadian tech space continues to be **Constellation Software** ([TSX:CSU](#)).

This company has historically been one of the [best growth stocks](#) in Canada in recent decades. This is largely due to the company's business model. Constellation Software consolidates a fragmented software industry – targeting niche businesses. CSU is serving more than 125,000 customers in over 100 countries worldwide.

Analysts forecast Constellation's sales to surpass \$5 billion this year and hit nearly \$6 billion next year. Moreover, Bay Street also believes earnings will rise by an annual rate of 24.6% in the upcoming five years. In fact, the company has continued to outperform broader indices in the last five years comprehensively.

These metrics alone paint a rather bullish picture for this top Canadian growth stock right now.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:OTEX (Open Text Corporation)

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