



3 Future Stocks to Buy Before the New Year

Description

Canadian investors should always be on the hunt for equities that will benefit from their exposure to growth industries. For example, those who invested in e-commerce in the 2010s have likely been richly rewarded over the years. Today, I want to look at three future stocks that are worth snatching up before the New Year.

Why I'm looking to snatch up this gaming stock on the dip

The video game industry has expanded its reach over the past decade. Esports, a form of video game competition played between professional players, has seen its popularity explode in recent years. Last year, Grand View Research projected that the global esports market would deliver a CAGR of 24% from 2020 through 2027.

Enthusiast Gaming ([TSX:EGLX](#))(NASDAQ:EGLX) is a top future stock to target in the esports space. Shares of Enthusiast Gaming have climbed 20% in 2021 as of close on November 25. However, the stock has slipped 29% over the past six months. Investors should consider adding this future stock on the dip in late 2021.

In Q3 2021, the company delivered record revenue of \$43.3 million. Meanwhile, direct sales soared 580% to \$6.8 million. Moreover, gross profit jumped 146% to \$10.1 million. Enthusiast has pursued an aggressive acquisition strategy that has bolstered its esports presence. This is an exciting stock to watch for the rest of this decade.

This future stock is geared up for growth as automation presses on

ATS Automation (TSX:ATA) is a Cambridge-based company that provides automation solutions to a global client base. Shares of this future stock have [climbed 125%](#) in 2021 as of close on November 25. Canadian investors should be eager to get in on the automation space.

Earlier this year, market researcher Fortune Business Insights unveiled its report on this sector. It projected that the global industrial automation market would reach US\$355 billion by 2028. This would represent a CAGR of 9.2% over the forecast period dating back to 2021.

The company released its second quarter fiscal 2022 earnings on November 3. Revenues increased 55% year over year to \$522 million. Meanwhile, adjusted EBITDA was reported at \$83.3 million — up from \$49.6 million in the second quarter of fiscal 2021. Its Order Backlog rose 35% to \$1.29 billion. The future stock is trading in attractive value territory in comparison to its industry peers.

Here's another future stock in a fast-growing industry

Kinaxis ([TSX:KXS](#)) is the third and final future stock I'd [recommend](#) investors snatch up before December. This Ottawa-based company provides cloud-based subscription software for supply chain operations around the world. Its shares have increased 11% in the year-to-date period. However, the stock has dipped 9.9% week over week.

The ongoing supply chain crisis plaguing North America has highlighted the urgent need for the modernization of these processes. Indeed, early supply chain struggles in 2020 saw Kinaxis [defy the 2020 market pullback](#). ResearchAndMarkets recently projected that the supply chain management software market would deliver a CAGR of 11% from 2021 to 2025. In Q3 2021, Kinaxis delivered SaaS revenue growth of 14% to \$44.7 million. Moreover, gross profit jumped 16% to \$42.5 million.

This future stock boasts an immaculate balance sheet. Investors should look to buy the dip, as it still boasts promising growth potential.

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2. TSX:ATS (Ats)
3. TSX:EGLX (Enthusiast Gaming Holdings Inc.)
4. TSX:KXS (Kinaxis Inc.)

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