



Top TSX Growth Stocks for December and Beyond

Description

As we head into December, **TSX** stocks are seeing a new spike in volatility. Many stocks have outperformed expectations in 2021. In some instances, valuations are stretched. Consequently, when market fears like the Omicron COVID-19 variant emerge, [pullbacks](#) are more likely to occur.

For long-term investors, these temporary declines can be a gift. Companies with high-quality products/services, capable managers, strong balance sheets, and long growth opportunities often trade at a market premium valuation. So, nibbling on declining days can be a good way to [maximize returns](#). Here are three top growth stocks to add in December and hold for years beyond.

TSX growth stock #1: Nuvei

While **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) has only been publicly listed for a little more than a year, it has delivered strong returns for shareholders. Since its initial public offering (IPO) in December 2020, its stock has soared 160%! However, sentiment toward payments services providers has declined in the past few months.

Nuvei stock is down nearly 20% this month. Given that discount, Nuvei is starting to look pretty attractive below \$120 per share. Over 2021, this TSX stock has been growing by nearly triple digits. It is intriguing because this has not come at the cost of profitability. Rather, as its payments platform scales globally, it captures more customers and becomes more profitable.

With a market capitalization of \$17.4 billion, this stock is not cheap. However, given its strong growth profile and high-quality platform, this stock could be significantly more valuable in the next few years.

TSX growth stock #2: Aritzia

After news emerged about the Omicron variant, retail stocks have been taking a hit. One TSX growth stock that recently declined was **Aritzia** ([TSX:ATZ](#)). Any pullback in this stock has been an attractive entry point this year.

Why? Aritzia has exceeded investors' and analysts' expectations throughout the year. It has built a clothing business that utilizes both brick-and-mortar and e-commerce sales channels. Both of these channels are thriving and have proven successful, even throughout the pandemic. Aritzia has been very successful in Canada, but it is now focused on the U.S, a market that's more than 10 times larger.

This TSX stock has a market capitalization of just \$5.6 billion. Aritzia has a founder-led management team, a strong balance sheet, and a large addressable market. It is entering a sweet spot for revenue and earnings growth to accelerate in the coming years.

TSX growth stock #3: Constellation Software

If you want a reliable TSX stock with a long history of strong returns, you won't find a better one than **Constellation Software** ([TSX:CSU](#)). Since its inception, its stock has delivered an 8,817% return, not including dividends or its recent spin-off of **Topicus.com**.

Constellation has an incredible track record of consolidating small vertical market software businesses across the world. Some consider its management team the best capital allocators in the world. Over the past month, Constellation's stock has flatlined. This recent stall might be a good opportunity to get in before it takes off again.

This year, it has deployed over \$1 billion into new acquisitions. Indeed, 2021 has been its largest year for capital deployment to date. Similarly, Constellation has launched a new venture capital fund focused on organic growth opportunities.

With a market cap of over \$45 billion, Constellation is already a large business. However, its strategic growth initiatives should translate into solid cash flow accretion next year and for many years to come.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:ATZ (Aritzia Inc.)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:NVEI (Nuvei Corporation)

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