



3 Canadian Growth Stocks for Your Christmas Wish List

Description

All I want for Christmas are some top Canadian [growth stocks](#). The problem is, they are always so expensive. But according to Motley Fool co-founder, David Gardner, two core traits of his [Rule Breaking Investing](#) are that a stock has had strong price appreciation and that it appears overvalued to the broader market.

Sometimes, it is more difficult to buy a stock that consistently rises than a stock that has had a large decline. Yet buying the best businesses and owning them for long periods can generate consistently outsized returns.

So, if you are writing up your Christmas list, why buy from the bargain bin when you could ask Santa for the best? Here are three of the best Canadian growth stocks you can find on the **TSX** today.

Canadian growth stock #1: Aritzia

Aritzia ([TSX:ATZ](#)) has had an exceptional year in 2021. Year to date, its stock is up nearly 100%. Another one of David Gardner's *Rule Breaker* traits is for a stock to have strong consumer appeal. Aritzia has that. Its brand of "everyday luxury" clothing for women (and now men) has had enormous success in Canada.

Through the pandemic, it remained relatively resilient due to a very strong omni-channel sales strategy. It is now expanding into the United States, which is a retail market more than 10 times the size of Canada. Add in international markets, and Aritzia has a large, long-term opportunity to grow

This year, it should grow revenues and EBITDA 25% over 2019 (pre-pandemic) levels. With a market capitalization of only \$5.7 billion, this Canadian stock is just at the precipice of a significant expansion opportunity ahead.

Growth stock #2: Jamieson Wellness

With a market cap of only \$1.7 billion, **Jamieson Wellness** ([TSX:JWEL](#)) is not a well-known Canadian retail stock. It is a Canadian brand leader in vitamins, supplements, and health/wellness products. If anything, the COVID-19 pandemic has made people more vigilant about preventative health measures and keeping a strong immune system.

That has been a major driver of growth for Jamieson over the past few years. Its tasty and attractive packages of Vitamin C tablets make it a top choice for Canadians. The company is now expanding internationally, with China and the United States being major new markets.

Since inception, this Canadian stock has been growing revenues by an average rate of 10% a year. EBITDA and earnings have been accelerating at an even faster mid-teens growth rate. For exposure to the fast-growing health consumables market, this is a great stock with a lot of [compounding potential](#).

Canadian growth stock #3: Shopify

Keeping the retail stocks theme, there is no better Canadian stock or business than **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). E-commerce is one of the most predominant technology trends across the world. Through its integrated platform, Shopify helps small- to medium-sized businesses compete with giants like **Amazon.com**. As it scales, it continues to add services to its platform, making it revenues more sticky and harder to compete with.

For the past five years, Shopify has grown revenues and EBITDA by a compounded annual growth rate of 64% and 237%, respectively. Certainly, this top Canadian stock is not cheap by any means. Yet, it has pulled back recently by 13% and that presents a perfect opportunity for Canadians to load up their Christmas shopping cart.

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2. TSX:ATZ (Aritzia Inc.)
3. TSX:JWEL (Jamieson Wellness Inc.)
4. TSX:SHOP (Shopify Inc.)

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