3 Top Growth Stocks to Buy in February 2022

Description

It certainly isn't a secret that growth stocks on the Toronto Stock Exchange have been driving the market higher ever since the Great Recession ended roughly 13 years ago. An accommodative Federal Reserve, and historically low interest rates, have allowed fast-paced organizations to borrow cheap capital that they've utilized to innovate, hire, and acquire.

Rising interest rates certainly provide headwinds to growth stocks. However, there are still companies out there that have incredibly long track records of growth, in rising-rate environments and vice versa.

Let's dive into two of the best options, in my view, right now.

Top growth stocks: Boyd Group

Boyd Group (TSX:BYD) is a Winnipeg-based company that operates non-franchised collision repair centres in Canada and the United States. In terms of sales and location, this company is one of the biggest operators of non-franchised collision repair centres in North America.

Boyd posted its Q3 2021 results on Nov. 10, which highlighted some very strong results. Revenues saw a 28% increase year over year to $490 million. Also, Boyd Group reported 10% growth in same-store sales, with its gross profit rising 19% year over year to $215 million.

Shareholders have received really impressive returns over the past five years with BYD stock. In fact, investors who had allocated their cash to this TSX stock five years ago are up around 134%, as of the end of last year.

The fundamentals of this company are solid, as is the company's management team. This is a long-term growth-by-acquisition company I like in this existing environment, rising rates or not.

Constellation Software

Another roll-up acquirer on this list, this time of software companies, is **Constellation Software** (TSX:CSU). Indeed, Constellation is on tech stock I've been pounding the table on for a long time. This company has maintained a remarkable pace of growth for decades, not years. Accordingly, Constellation is one of the "old boys" when it comes to executing acquisition strategy well.

This consistency should not be underrated. Constellation's ability to continue to improve its return on invested capital, and create shareholder value for such a long time is noteworthy. Time and again, Constellation has proven that dips are buying opportunities with this stock. Indeed, Constellation remains one of the most consistent growth stocks over the long term on the TSX.

Currently, Constellation stock trades around 10% off its 52-week high. While not an incredible discount, this stock has held up much better than its tech peers for a reason. I think a 10% discount is worth considering, with this long-term growth gem.

Open Text

Finally, we have our third pick on this list, **Open Text** (TSX:OTEX)(NASDAQ:OTEX). Open Text is a top-notch enterprise software company worth considering. Open Text touts some of the largest Global 10,000 companies among its customers and has grown its user base incredibly over the long term.

Like the other stocks on this list, Open Text is trading off its highs. However, like these peers, Open Text also isn't far off from its highs, signaling investor confidence in this company from a long-term perspective.

I like companies that have high-conviction investor bases. These three companies are great examples of long-term growth stocks to hold through thick and thin.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:BYD (Boyd Group Income Fund)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:OTEX (Open Text Corporation)

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Date
2025/08/15
Date Created
2022/02/05
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