



## 2 TSX Growth Stocks You Can Count on for Price Gains

### Description

Compared to high-multiple tech stocks that fell off a cliff in the tech stock crash, these **TSX [growth stocks](#)** are more reliable for price appreciation over the next five years.

### A TSX tech stock with high growth

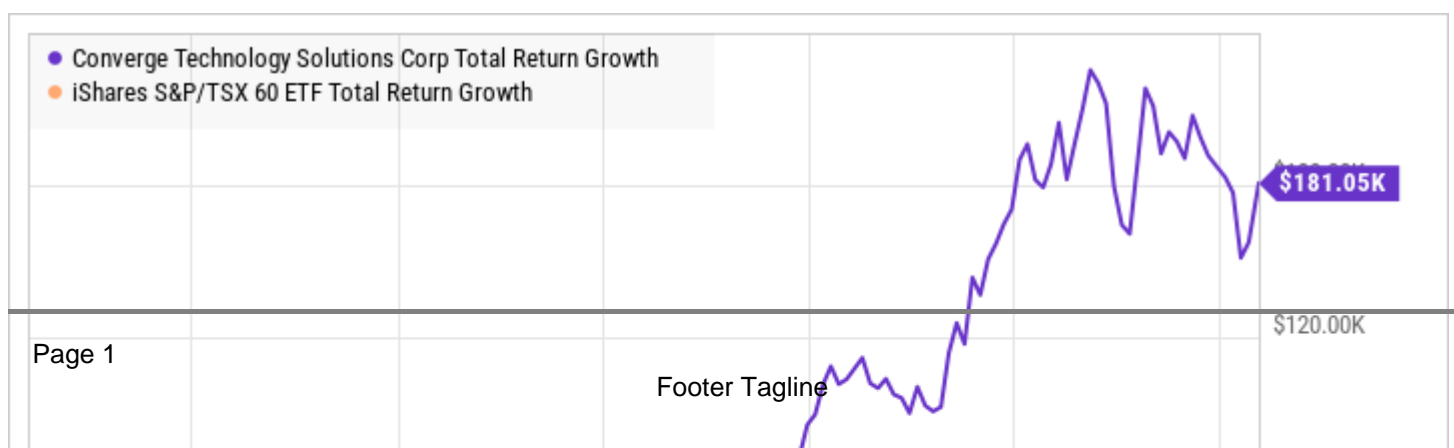
**Converge Technology Solutions** ([TSX:CTS](#)) stock was swept into the whirlpool of the tech stock market crash in late 2021, falling about a third from the peak of \$12 per share to the trough of \$8 per share. The growth stock is showing tremendous price-growth strength, as it quickly rebounded above its 50-day simple moving average in a matter of a few weeks.

In December 2021, Jennifer Radman commented:

“We own a lot of this. The services side of technology has done well. Digitization and cloud adoption fit well for their acquisition strategy and they just invested in Europe. A lot of opportunity going forward.”

*Jennifer Radman, vice president and senior portfolio manager at Caldwell Investment Management*

Converge’s M&A growth strategy has been driving revenue and adjusted EBITDA growth, which, in turn, has been propelling its stock price. As a smaller-cap stock that has been executing its growth strategy well, the growth stock has incredibly outperformed the market benchmark. Shown below are the results of an initial \$10,000 investment three years ago in Converge stock and TSX:XIU, respectively.



CTS, XIU Total Return Level data by YCharts

[Converge](#) has been acquiring companies at low multiples versus its valuation. Through multiple ways of reducing costs when integrating the businesses and cross-selling its broad offerings, it's able to create tremendous value for shareholders. There's still room for the stock price to run. At writing at \$10.68 per share, the consensus 12-month price target of \$13.63 represents about 28% near-term upside potential in the growth stock. Continued execution should lead to increases in its stock price target over time.

## A high-growth stock in the utilities sector

Utility stocks are sometimes viewed as slow-growth dividend stocks. **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is a relatively high-growth utility stock that investors may be interested in. It has a track record of raising dividends for 11 consecutive years. Its 10-year dividend-growth rate is 9.5%, which is above average.

The dividend stock has retreated to relatively attractive levels for dividend income and price appreciation. The consensus 12-month price target suggests near-term upside potential of about 21% in the growth stock, while it pays a yield of approximately 4.8%. Over the next few years, AQN stock can potentially increase its earnings by about 7-9% per year.

Here are a couple of analyst comments from last month:

"Rough year for all power producers, especially renewables. Actually performed okay in relation to peers. Utility assets are looking relatively attractive again. They might shine again in 2022-23, if you're looking for defense and a potentially challenging year. If the market rips ahead, these will lag, but he likes the 5-ish% dividend. Long term for him."  
*Ryan Bushell, president and portfolio manager, Newhaven Asset Management*

"For a taxable account so you get the tax credit. It pays a nice, rising dividend, but shares have drifted lower in the past year, until it's now attractive. AQN is among the best in renewable energy."  
*David Baskin, president of Baskin Wealth Management*

Notably, Algonquin's regulated utilities and renewable power assets are primarily in the United States. So, the stock pays a U.S. dollar-denominated dividend that can result in some volatility in the effective yield in Canadian dollars for Canadian investors.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

## **PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

## **PP NOTIFY USER**

1. kayng
2. kduncombe

## **Category**

1. Investing

## **Date**

2025/09/14

## **Date Created**

2022/02/08

## **Author**

kayng

default watermark

default watermark