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

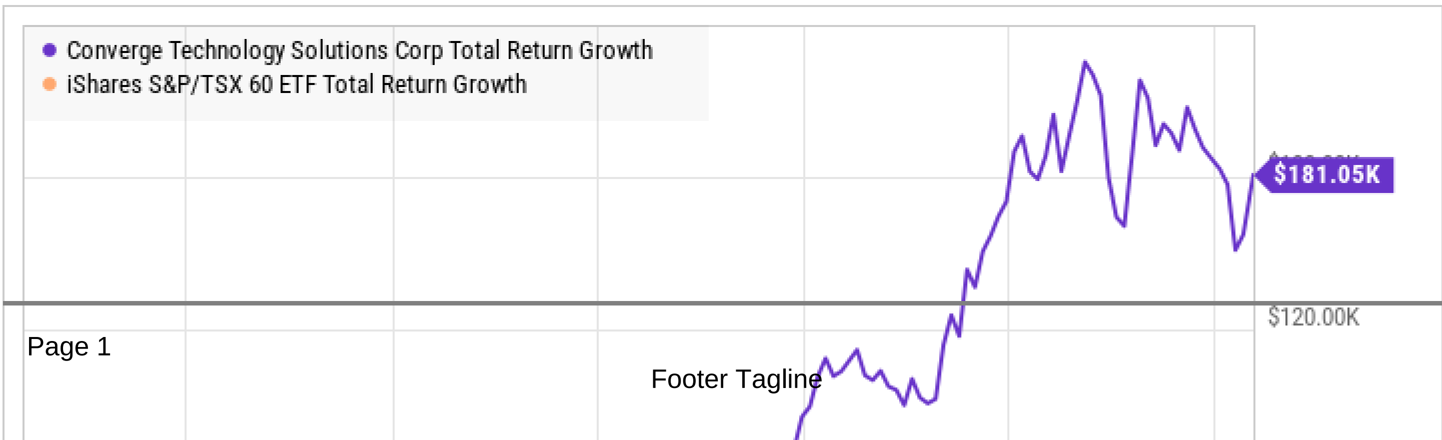


**Converge Technology Solutions** (TSX:CTS) stock was swept into the whirlpool of the tech stock market crash in late 2021, falling about a third from the peak of $12 per share to the trough of $8 per share. The growth stock is showing tremendous price-growth strength, as it quickly rebounded above its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

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1. Investing

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