3 Red-Hot Growth Stocks to Buy Now

Description

The Canadian stock market put together a strong performance in 2021 after a choppy period in 2020. Companies and their respective equities benefited from the lifting of restrictions and a largely successful vaccine rollout on the domestic front. Today, I want to look at three growth stocks that were scorching in the previous year. Are these equities poised for another run after a difficult start to 2022? Let's dive in.

This growth stock is ready to erupt this decade

Lithium stocks were hit hard by turbulence in the late 2010s. However, there are very positive signs for producers in the beginning of this decade. Electric vehicle (EV) sales and production have spiked to kick off the new decade, resulting in higher demand for lithium-ion batteries.

That brings us to **Lithium Americas** (TSX:LAC)(NYSE:LAC). This Vancouver-based company is focused on developing lithium projects in Argentina and the United States. Shares of this growth stock have dropped 10% in 2022 as of close on February 15. However, the stock is still up 35% in the year-over-year period. In 2021, shares of Lithium Americas soared 130%.

Its most promising asset is the Thacker Pass lithium project, one of the largest known lithium deposits on the planet. Lithium Americas boasts a fantastic balance sheet. This growth stock is worth snatching up on the dip today.

Here's a Canadian stock that is well positioned to carry on its 2021 momentum

Spin Master (TSX:TOY) is a Toronto-based children's entertainment company that is engaged in the creation, design, manufacture, licensing, and marketing of various toys, entertainment franchises, and digital games to a global client base. This growth stock has dropped 2.8% so far this year. Its shares climbed 65% in 2021.

Investors can expect to see Spin Master's final batch of 2021 earnings on February 28. In the third quarter of 2021, the company delivered total revenue growth of 25% to $714 million. Meanwhile, gross product sales rose 16% to $681 million. Better yet, gross profit increased 51% year over year to $366 million. In the year-to-date period, Spin Master posted revenue growth of 31% to $1.42 billion. Moreover, adjusted EBITDA nearly tripled to $335 million.

Shares of this growth stock last had a P/E ratio of 22, which puts Spin Master in solid value territory relative to its industry peers.

One more growth stock to stash for the long term

ATS Automation (TSX:ATA) is the third growth stock I'd look to snatch up in the middle of February. In late 2021, I'd discussed why investors should look to get in on the development of automation this decade. This growth stock surged 124% in 2021.

Shares of this growth stock have dropped marginally so far in 2022. It unveiled its third-quarter fiscal 2022 results on February 2. ATS Automation reported total revenues of $546 million — up 47% from the previous year. Meanwhile, adjusted EBITDA rose to $83.5 million compared to $53.1 million in the third quarter of fiscal 2021. ATS Automation's Order Backlog climbed 49% from the previous year to $1.47 billion.

ATS Automation is trading in favourable value territory compared to its top competitors. Its earnings are geared up for strong growth going forward. I'm looking to snag this growth stock after its small dip in early 2022.

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