



## Got \$3,000? 3 Top TSX Growth Stocks to Buy Right Now

### Description

The year 2022 has been a challenging one for growth investors. Rate-hike blows and broad market weakness have notably weighed on growth stocks so far. But, interestingly, some TSX stocks look well placed to withstand these forces and could thus outperform in the long term. Here are three of them.

### Bombardier

Private jet maker stock **Bombardier** ([TSX:BBD.B](#)) is having a subdued 2022 after soaring a massive 260% last year. However, the company looks well placed for a turnaround amid the improved demand for private jets, mainly after the pandemic. It expects \$7.5 billion in revenues in 2025, with \$500 million in free cash flows.

Notably, Bombardier is aggressively working on deleveraging its balance sheet. Last year, it brought down the total debt by \$3 billion, which will save a substantial sum on interest payments.

Bombardier has come a long way from the near-bankruptcy phase to a positive turnaround in the making. It will be interesting to see how its top line gets affected when air travel normalizes post-pandemic.

BBD stock has fallen 35% in the last six months. It will likely keep trading volatile amid its ongoing reversal. However, driven by its deleveraging efforts and tailwinds in the sector, Bombardier could see a successful turnabout, which could unlock meaningful [shareholder returns](#).

### Constellation Software

**Constellation Software** ([TSX:CSU](#)) stock has been trading in a narrow range since August 2021. But interestingly, it has been relatively resilient to interest rate-hike jolts compared to what peer [growth stocks](#) have experienced. For example, **Shopify** has corrected 55%, while **BlackBerry** has dropped 30% this year.

Constellation Software has been resilient because of its stable business model and superior earnings growth potential. It operates a fleet of vertical market software companies that have a leading market share in their particular domain.

Constellation has a strong balance sheet and compelling management that will help its acquisition portfolio grow. This should bode well for market share expansion and financial growth going forward.

CSU has notably outperformed broader markets in the last decade. Its earnings grew by a handsome 16% CAGR, which is way higher than peer tech companies. As a result, CSU stock has returned 2,930% in the last decade, while the **TSX Composite Index** has returned a meagre 80%.

## Baytex Energy

Canadian energy stocks have more than doubled since last year. Notably, small-cap oil and gas TSX stocks broke through the roof amid the energy rally. Consider **Baytex Energy** ([TSX:BTE](#))(NYSE:BTE) stock, which is up a mammoth 240% in the last 12 months.

Driven by a massive oil price rally, its net income jumped to \$1.6 billion last year from a net loss of \$2.4 billion in 2020.

Baytex repaid \$400 million in debt last year, which notably improved its balance sheet strength. The current oil price strength will likely continue to fuel its free cash flow growth in the next few quarters. Interestingly, the company expects significant debt reduction and the initiation of share-buyback program with its incremental free cash flow.

The company is [forecast](#) to produce 80,000 to 83,000 barrels of oil per day this year — marginally higher than 2021. As a result, BTE stock might see more strength amid its higher earnings growth prospects and balance sheet deleveraging.

### CATEGORY

1. Investing

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1. TSX:BBD.B (Bombardier)
2. TSX:BTE (Baytex Energy Corp.)
3. TSX:CSU (Constellation Software Inc.)

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