



## 2 of the Best Canadian Growth Stocks to Buy This Week

### Description

Some of the most popular Canadian growth stocks have become victims of the recent tech sector-wide crash. Big names, including [Shopify](#) and **Lightspeed**, have seen massive 75% and 54% year-to-date losses, respectively. While these tech stocks might continue to remain highly volatile in the near term after posting outstanding gains in the last few years, some other high-growth stocks still have the potential to post sharp recovery — especially those that haven't seen much appreciation lately.

In this article, I'll highlight two such fundamentally strong, high-growth stocks long-term investors can consider buying on the **TSX** this week.

### Magnet Forensics stock

**Magnet Forensics** ([TSX:MAGT](#)) has been one of my favourite Canadian growth stocks since its listing on the exchange nearly a year ago. This Waterloo-based software company mainly focuses on providing innovative investigative tools to businesses across the world to fight cybercrimes effectively. Despite continued strength in its revenue growth trends, MAGT stock is currently trading with 38% year-to-date losses, making it look really cheap to buy right now.

Last week, Magnet Forensics [announced](#) its first-quarter results. The cybersecurity solutions provider's total revenue for the quarter rose by 35% YoY (year over year) to US\$19.8 billion — also exceeding analysts' estimates. Its expanding product offerings and new customer wins drove a solid 49% growth in its annual recurring revenue in Q1. While an increase in the contribution of its professional services segment to its total revenue drove its gross margin slightly lower, Magnet still managed to post a solid 92% gross margin for the quarter.

Apart from expanding its global market reach, the company is also focusing on new quality acquisitions, which should help it accelerate its financial growth further in the coming years. That's why I consider Magnet Forensics to be one of the top growth stocks to buy in the Canadian market right now.

## Aritzia stock

**Aritzia** ([TSX:ATZ](#)) is the second growth stock that I would recommend long-term investors consider buying right now. The shares of this Vancouver-based apparel designer and retailer are currently trading with 24% year-to-date losses at \$39.80 per share.

In its fiscal year 2022, Aritzia's total revenue jumped by 74.3% to \$1.5 billion to beat analysts' estimates for the second consecutive year, despite facing continued global supply chain disruptions. In the last couple of years, the Canadian company has increased its focus on expanding its presence in the United States market. This move has helped Aritzia accelerate its financial growth. In the last fiscal year, the company reported a solid 178% YoY positive growth in its adjusted earnings to \$1.53 per share. To add optimism, Aritzia adjusted net profit margin expanded significantly in fiscal 2022 to around 11.8% — far better compared to just 3% in fiscal 2021 and 9.9% in fiscal 2020.

Its solid recent business growth in the U.S. market has opened doors for its business expansion in the international market. Given all these positive factors and fundamental outlook, I believe this Canadian growth stock has the potential to post a sharp recovery in the coming months.

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2. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)
2. TSX:MAGT (Magnet Forensics)

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