



## 3 High-Growth TSX Stocks That Could Soar

### Description

The stock market still stands on shaky ground, but impressive corporate earnings releases counter the negative sentiment. On July 29, 2022, the **TSX** rose triple digits for the third consecutive day to finish at 19,692.92. Some market observers think it was a relief rally and investors could be positioning for a rebound.

High-growth stocks are likewise plenty, although three names could soar faster and higher than others. **Sleep Country Canada Holdings** ([TSX:ZZZ](#)), **Spin Master** ([TSX:TOY](#)), and **Advantage Energy** ([TSX:AAV](#))(NYSE:AAV) should be in your watchlist, if not your buy list, this month.

### Sleep ecosystem

Sleep Country is the leading specialty sleep retailer in Canada. The \$1.05 billion company boasts a national retail store network and multiple e-commerce platforms. Performance-wise, the total return of this consumer cyclical stock in 3.01 years is 68.43% (18.9% compound annual growth rate [CAGR]). The share price is \$28.64, while the dividend yield is 3%.

In Q2 2022, revenues and adjusted net income increased 18.4% and 42.7% versus Q2 2021. Stewart Schaefer, president and CEO of Sleep Country, said, "In these turbulent and uncertain times, in spite of the backdrop of weakening consumer sentiment, we remain positive and focused on delivering on our long-term strategic plan."

Schaefer added that management remains sensitive to the Canadian consumer and price increases. He credits the strength of the business to a sleep ecosystem with multiple brands, expanded channels, and innovative products. Market analysts covering the stock have a 12-month average price target of \$37.43 (+30.7%).

### Strong revenue growth

Spin Master carries a buy rating from market analysts who see a 32.3% upside potential in one year.

This consumer cyclical stock trades at \$47.73 per share and offers a modest 0.50% dividend. The \$4.91 billion company is a global leader in children's entertainment and play experiences.

Toys, Entertainment, and Digital Games are the three creative centres that contribute to total revenues. In Q2 2022, the business enjoyed strong revenue growth, record margins, and profitability. For the first half of the year, revenue grew 31.5% to US\$930.5 million versus the same period in 2021.

Notably, net income in the six months ended June 30, 2022, soared 264% year over year to US\$133.7 million. Mark Segal, Spin Master's CFO, said, "We are committed to our financial framework for value creation, underpinned by our formula for innovation and disciplined global growth across all of our creative centres."

The quarterly dividend declared after Q2 2022 was the first ever for the company.

## Top price performer

Advantage Energy is the logical choice for superior capital growth. At \$11.01 per share, the energy stock outperforms with its 48.58% year to date. Also, the total return in 3.01 years is an eye-popping 529.14% (84.2% CAGR).

This \$2.09 billion oil and gas company enhances shareholder value through its strong platform for growth. Its platform that consists of a high-quality light oil, a prolific gas foundation, and low-cost infrastructure to enhance shareholder value. In Q3 fiscal 2022, free cash flow reached a record \$139.5 million.

## Pick Canadian stocks

Patrick Horan, principal at Agilith Capital, "Our expectation is that this rally has legs and it will last — it's a durable rally. It may not be durable for all of the stocks out there, but certainly durable for the cyclicals." He also sees more opportunity in [Canadian stocks](#) than U.S. equities.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:AAV (Advantage Oil & Gas Ltd.)
2. TSX:TOY (Spin Master)
3. TSX:ZZZ (Sleep Country Canada)

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