



3 of the Best Growth Stocks to Buy in October 2022

Description

September is finally ending, and what a rough month it's been. After markets rebounded slightly through the summer, September saw a significant sell-off, with the **TSX** falling by over 5% so far. But while these sell-offs can seem like they're hurting your portfolio, they can actually be beneficial if you use the opportunity to buy high-quality stocks with years of growth potential while they're cheap.

The natural tendency of investors is to find stocks that can grow quickly. However, the value-creating investments are often [long-term](#) growth stocks that can consistently expand their operations and increase their earnings.

A discount stock for a bargain

When you can find businesses that can grow constantly, they can help power your portfolio for years. For example, over the last 15 years, **Dollarama** ([TSX:DOL](#)) has earned investors a total return of more than 675%, or a [compounded annual growth rate](#) of 22.8%.

Plus, in addition to its past performance, it has much more potential going forward. The consumer cost-cutting trend is not going anywhere, and the demand for discounted items should continue to grow, especially as inflation weighs on consumers' budgets, and a recession looms.

Analysts estimate that Dollarama's earnings will grow by 23.3% next year and by at least 17.5% over each of the next three years. So as growth stocks like Dollarama pull back from their highs, investors have an opportunity to buy some of the premium long-term stocks in Canada at a discount.

And in addition to Dollarama, many more stocks are worth considering as well, so here are two more of the best growth stocks to consider today.

A unique real estate stock offering significant growth potential

Many subsectors of real estate offer incredible long-term potential. However, one of the rising real

estate stocks you can buy for the long haul is **Storagevault Canada** ([TSX:SVI](#)), an owner of self-storage and portable storage space.

Self-storage is one of the prime real estate assets to buy for the long term for several reasons. Firstly, there are minimal costs from operators and demand is always considerably strong. And because many tenants only rent on a short-term basis, the turnover is high, allowing these stocks to quickly increase rental rates, which is especially important during periods of high inflation, such as today.

Plus, not only are these assets solid investments but Storagevault is a high-quality operator that has consistently grown by acquisition.

In the three short years from 2018 to 2021, Storagevault Canada's sales grew by over 115%. Furthermore, they're expected to grow another 24.5% this year. In addition, adjusted funds from operations per unit have nearly doubled over the last three years from \$0.09 in 2018 to \$0.17 last year.

So after Storagevault Canada's significant sell-off this year, leaving the stock trading roughly 25% off its highs, there's no question that it's one of the best growth stocks to buy in this environment.

One of the best growth stocks to buy while it's cheap

In addition to Storagevault, another incredible growth stock that's now significantly undervalued is **goeasy** ([TSX:GSY](#)), the specialty finance stock.

goeasy has been rapidly expanding its loan book for years, and continues to see both its revenue and profitability rise as a result.

In fact, over the last three years its sales have grown by 63%. But even more impressively, goeasy's earnings per share (EPS) have grown by 193%. This goes to show what a high-quality company goeasy is, and the impressive margins that it generates.

Plus, going forward even with the impact on business that analysts and investors anticipate we could see in the short-term, the stock is still expected to grow sales by over 23% this year and another 18% in 2023. Analysts also believe that its EPS can grow 10% this year and another 30% next year.

So with this undervalued growth stock trading more than 50% off its high, it's certainly one of the best long-term stocks to consider buying in October 2022.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:SVI (StorageVault Canada Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
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Author

danieldacosta

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