



1 of the Top TSX Growth Stocks to Buy Right Now

Description

The Canadian stock market has actually held up quite well, despite a rocky 2022. The energy- and financials-heavy composition of the TSX resulted in a decline of only 6% during the past year. However, the market is expected to grow decently in 2023, as per many analysts.

Indeed, 2022 was not a great year for [growth stocks](#). Many investors abandoned faith in high-growth companies as a result of central bank tightening and fears of a looming recession. Thus, the transition toward value and away from growth stocks is one that has led value investors to outperform their growth counterparts for the first time in a while.

That said, these broad-based declines have improved the valuation metrics of many growth stocks, resulting in an interesting setup in 2023. One top growth stock I think is worth considering given this backdrop is **Boyd Group** ([TSX:BYD](#)).

Here's why.

BYD stock has bright potential ahead

Taking a look at the chart above, it's clear that Boyd hasn't seen the drop-off many of its growth peers have. That's for good reason.

This is a company that's continued to see its valuation surge at a rate that exceeds the market for a very long time. The company's approximate doubling of value over the past five years (excluding dividends) is notable. And that's with earnings per share that have actually declined on a year-over-year basis.

The reason for this stock price outperformance is consensus expectations around forward growth. Wall Street projections see BYD stock growing annual earnings in the 65% range for the coming year. So long as the company remains on its longer-term growth trajectory, this is a stock that's likely to continue moving higher.

Bottom line

Boyd is among the leading growth stocks I think is worthy of consideration in this difficult market. As a leading purveyor of glass and collision repair shops in North America, the thesis is simple. More people means more cars on the road. And with the pandemic in the rear-view mirror, this thesis holds water more than ever.

As Boyd continues to consolidate this fragmented industry, I think more upside could be on the horizon. This is a company that funds most of its acquisitions through the cash flow of its underlying businesses. Thus, so long as Boyd can continue to deliver outsized returns, its share price should remain on this trajectory. It's one of the top growth stocks on my watch list right now for this reason.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BYD (Boyd Group Income Fund)

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