3 Top Canadian Growth Stocks to Buy Right Now

Description

The **S&P/TSX Composite Index** fell 129 points on Monday, February 6. Some of the worst-performing sectors included battery metals, base metals, and health care. Today, I want to zero in on three top Canadian growth stocks that are worth snatching up for cheap in this uncertain climate. Let's jump in.

This exciting green energy-focused growth stock is undervalued

Northland Power (TSX:NPI) is a Toronto-based independent power producer that develops, builds, owns, and operates clean and green power projects in North America and around the world. Shares of this green energy growth stock have dropped 4.6% year over year as of close on February 6. The stock has plunged 9.3% so far in 2023.

This company is set to unveil its fourth-quarter and full-year fiscal 2022 results on February 24, 2023. In the third quarter (Q3) of 2022, Northland Power reported total sales of $556 million – up from $432 million in the third quarter of fiscal 2021. Meanwhile, gross profit rose to $484 million compared to $383 million in the previous year. EBITDA stands for earnings before interest, taxes, depreciation, and amortization, aiming to give a more accurate picture of a company's profitability. Northland Power posted adjusted EBITDA of $290 million, which was up from $211 million in the third quarter of fiscal 2021.

Shares of this growth stock possess a favourable price-to-earnings (P/E) ratio of 11. The Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a given security. Northland Power last had an RSI of 25, putting it in technically oversold territory. Meanwhile, Northland Power offers a monthly dividend of $0.10 per share. That represents a 3.5% yield.

Don't sleep on this cheap TSX newcomer

Definity Financial (TSX:DFY) debuted on the main TSX Index in the second half of November 2021.

This Toronto-based company provides property and casualty insurance products across Canada. Its shares have climbed 18% year over year as of close on February 6. However, this growth stock has slipped 8.6% so far in the new year.

Investors can expect to see Definity's final batch of fiscal 2022 earnings on Thursday, February 9. It delivered premium growth of 10.9% in the third quarter of fiscal 2021. On October 3, it acquired a majority stake in McDougall Insurance, which should provide nice earnings diversification via distribution income. Net investment income climbed $11.4 million year over year to $21.8 million. That was bolstered by improved fixed-income yields and funds generated from its business growth.

This growth stock last had a solid P/E ratio of 25. Definity Financial currently possesses an RSI of 32, putting it just outside technically oversold territory.

One more promising growth stock to target in the construction space

North American Construction (TSX:NOA) is an Alberta-based company that provides equipment maintenance, and mining and heavy construction services in Canada, the United States, and Australia. Shares of this growth stock have increased 4.6% from the prior year. Meanwhile, North American Construction stock has jumped 12% so far in 2023. Readers can play with the interactive price chart below to get a better idea of its recent performance.

This company is expected to release its year-end results on February 15. In Q3 2022, North American Construction reported revenue of $191 million — up from $166 million in the prior year. Moreover, adjusted EBITDA climbed $12.6 million year over year to $60.1 million.

Shares of this growth stock possess an attractive P/E ratio of 10. It offers a quarterly dividend of $0.08 per share, which represents a modest 1.6% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DFY (Definity Financial Corporation)
2. TSX:NOA (North American Construction Group Ltd.)
3. TSX:NPI (Northland Power Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise

8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. aocallaghan
2. kduncombe

Category

1. Investing

Date
2025/08/12
Date Created
2023/02/07
Author
aocallaghan