



## Got \$5,000? These are 2 of the Best Growth Stocks to Buy Right Now

### Description

Growth stocks are back on the scene in 2023. The **iShares Canadian Growth Index ETF** gained 7.4% to outperform the **S&P/TSX Composite Index's** 6.6% rise so far this year. Investors with some cash on the side looking for the [best growth stocks to buy](#) right now may be spoilt for choice. While some popular growth names including **Shopify** are in strong stock price recovery mode after taking heavy beatings in 2022, some rising giants are quietly testing new all-time highs.

If you have \$5,000, or any amount of new money to invest in 2023, you may consider buying **MDA Ltd** ([TSX:MDA](#)) and **WSP Global** ([TSX:WSP](#)). Here's why I'm bullish about these two growth stocks right now.

### MDA stock

If you have some \$5,000 to invest, and are searching for a promising Canadian growth stock to buy right now, the local [space stock](#), robotics, and satellite systems technology pioneer MDA Ltd. stock should be on your radar.

The \$920 million company is a 50-year-old profitable business with well-established moats and a proven track record of successful project execution that's finding new growth opportunities in a burgeoning satellite technology space.

MDA stock is a key nuts-and-bolts play in a global space race that's gathering hot steam. Just recently, MDA Ltd. won a key contract in Latin America to supply antennas to Argentina for satellites designed to bring high-speed internet, digital video, and voice connectivity to four countries – a key growth area for Elon Musk-led SpaceX.

The company announced strong 55% growth in third-quarter 2022 revenue and 70% year-over-year growth in order backlog to more than \$1.4 billion in November last year. The company is winning more business as the global space economy erupts. Financial analysts project a 34% surge in sales for 2023 to be accompanied by a 17% expansion in normalized net income this year.

Despite all this, MDA stock price is cheaply valued today. The company's enterprise value-to-revenue (EV/Revenue) multiple of 1.4 is far below the aerospace and defence average multiple of 2.2. Similarly, the company's EV-to-EBITDA multiple of 7.3 is the lowest in its peer group and lies far below the peer average of 12.4.

MDA stock looks significantly undervalued, especially considering the company is growing revenue and earnings at a faster clip than peers. To be clear, the identified well-established peers include **Northrop Grumman, L3Harris Technologies, Maxar Technologies, Thales SA, and Airbus SE.**

## WSP Global stock

WSP Global is a well-established infrastructure engineering and design services business that should grow earnings at double-digit rates soon.

The company has successfully employed an acquisitions-led growth strategy to expand its global footprint and geographically diversify its revenue streams while expanding its earnings margins in the process.

WSP increased its revenue at a compound annual growth rate (CAGR) above 10% over the past five years. Analysts project a strong 16% year-over-year sales growth rate in 2023 and strong 17.9% growth in normalized net income for this year.

Most noteworthy, WSP stock's net income margins expanded from 4.7% back in 2019 to an average of around 7.5% of revenue since 2021. Margin expansions had a tremendously positive impact on WSP's Global stock valuation. The company used to earn 4.5 cents per dollar of revenue before the pandemic. Now it earns a staggering 7.5 cents per dollar of sales. And sales are growing at double-digit annual rates.

WSP Global is growing both its top and bottom lines beautifully, and the company is free cash flow positive. Investors' love for WSP stock has shown through its expanding valuation multiples. Shares are close to retouching the all-time highs above \$185 reached in late 2021. WSP stock has gained more than 220% in value over the past five years.

Although shares appear richly priced with a forward price-to-earnings (PE) multiple of 27, momentum may still lift shares higher in 2023 as management continues to execute on acquisitions as well as it has done over the past decade.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:MDA (MDA Ltd.)
2. TSX:WSP (WSP Global)

### 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. brianparadza
2. cleona

#### **Category**

1. Investing

#### **Date**

2025/07/21

#### **Date Created**

2023/02/16

#### **Author**

brianparadza

default watermark

default watermark