



3 Top Canadian Growth Stocks to Buy in 2021

Description

After an incredibly strong year in 2020, growth stocks have cooled off as of late. Canadian investors have seen a recent rotation out of high-priced tech companies and into value stocks.

As a long-term Foolish investor, the recent pullback is a great time to load up on [top growth stocks](#) that are on your watch list.

If you can stomach the high price, here are three of my top growth picks this year.

Lightspeed POS

There haven't been many better-performing stocks than **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) over the past two years. The [tech stock](#) joined the **TSX** in March of 2019. Since then, shares are up a market-crushing 350%.

Lightspeed has been a great growth story, but shares are far from cheap. The growth stock is trading at a frothy price-to-sales (P/S) ratio of 60 right now.

The high price explains why it's been a volatile ride for Lightspeed shareholders. And as long as the valuation remains this high, the volatility likely isn't going anywhere. The reason why investors are willing to pay such a premium is because of the tech stock's growth potential. Lightspeed continues to expand its already impressive omnichannel product offering, where it also has a global presence with customers across the world.

If you're looking to start a position in this growth stock, now is the time. Shares of Lightspeed are down about 15% from all-time highs earlier this year.

Dye & Durham

Dye & Durham ([TSX:DND](#)) is another relatively new public company that's also trading at an [opportunistic discount](#).

The growth stock has been a public company for not even one year, but shares are already up 175%. The growth stock has cooled off over the last two months, though, with shares now trading close to 25% below all-time highs.

I'd say that Lightspeed has more [growth potential](#) than Dye & Durham, but shares are also not as expensive. A P/S ratio of 30 still isn't cheap, but it's nowhere near where what Lightspeed is valued at.

Automating how public records are accessed might not be as exciting as e-commerce, but Dye & Durham is proving there's certainly growth potential there.

The company's cloud-based software helps its customers organize their public records.

Dye & Durham's tech solutions are primarily in demand from government, financial, and legal organizations.

goeasy

Of the three growth stocks on my list, **goeasy** ([TSX:GSY](#)) is the only one not trading at a significant discount right now. Shares are slightly below all-time highs from earlier this month, but only marginally.

goeasy also differs from the other two growth stocks in terms of valuation. At a P/S ratio below five, it's not priced as a high-flying growth stock, but it's sure been performing like one.

Shares are up more than 600% over the past five years. If you go back a decade, the stock is a 15-bagger.

The growth over the past 10 years has been incredible, but the stock is still only valued at a \$2 billion market cap. I don't know if I'd bank on a repeat performance over the next decade in terms of stock price appreciation, but based on market cap size alone, there's still plenty of growth potential.

The reason why I've got goeasy at the top of my watch list is because I think we could see a strong second half to this year.

goeasy is a consumer-focused financial services company. It offers its customers all kinds of loans, including personal, home, and auto. With the pent-up consumer demand and higher than usual savings rates for many Canadians, we could see a return to spending, as restrictions ease across the country.

CATEGORY

1. Investing
2. Tech Stocks

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1. DND
2. dye and durham
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6. growth
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8. growth stocks
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10. lightspeed
11. Lightspeed POS
12. lightspeed stock
13. LSPD

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:DND (Dye & Durham Limited)
3. TSX:GSY (goeasy Ltd.)
4. TSX:LSPD (Lightspeed Commerce)

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