



3 Top High-Growth Canadian Stocks I'd Buy Right Now

Description

It's been a rough couple of months for growth investors. High-priced growth stocks had a record-setting performance in 2020 but it's been a different story this year.

Year to date, the broader market has more than doubled the returns of the tech-heavy **Nasdaq Composite Index**. High-growth tech stocks have had strong short-lived runs this year, but the recent sell-off in the [tech sector](#) has created panic in an expensive market.

Fundamentally, there are not a lot of reasons to doubt the long-term business potential in many of the country's top tech companies. That being said, at some point, the valuations were going to catch up to these [growth stocks](#).

You can't ignore valuation altogether, but if the price has dropped more than 30% and the business has not changed, you've got my attention.

Here are three top Canadian growth stocks that are trading at [opportunistic discounts](#) right now. All three have market-beating track records that I don't see ending any time soon.

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) is the youngest of the three growth stocks on my list. The tech company joined the **TSX** in March 2019. Since then, shares are up a [market-crushing](#) 250%.

The growth story for Lightspeed has really exploded since it became a public company. What was once known primarily as a point-of-sale hardware provider has transformed into a fully fledged one-stop shop for small- and medium-sized businesses.

Marketing, order fulfillment, accounting — you name it. Lightspeed POS's robust cloud-based product offering supports its global customers in all kinds of different areas of their businesses.

Shares of the growth stock are trading about 30% below all-time highs right now. Even with that discount, though, the stock is still valued at a frothy price-to-sales (P/S) ratio of 50.

The valuation is sky-high, but so is the growth potential. If you've got a time horizon of five years or more and can handle the volatility, this is one growth stock that should be at the top of your watch list during this sell-off.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is much further along its growth story than Lightspeed, but the tech stock still offers plenty of upside.

It's already valued at a market cap well over \$100 billion versus not even \$10 billion for Lightspeed, but the e-commerce industry doesn't look like it's going to slow down anytime soon.

Shopify is coming off another quarter where it topped 100% in revenue growth, which is incredible considering the size of the company. Management did note that they expect revenue to slow in 2021, as the pandemic has been a major reason for the surge in demand.

At a P/S ratio above 40, shares of Shopify are far from cheap. Not many value investors will be willing to take a chance on one of the most expensive stocks on the TSX. That being said, Shopify has almost never been considered a cheap stock. And since it joined the TSX in 2015, the stock has been a 35-bagger.

Just like Lightspeed, Shopify stock is trading 30% below all-time highs. If you're waiting for the stock to continue to drop until it's considered affordable, you may be waiting a while.

Kinaxis

If there's one company on the list that you haven't heard of, it's likely **Kinaxis** ([TSX:KXS](#)).

The software company is valued at a market cap of only \$3 billion, but just like the first two stocks on my list, it's still relatively new to the public market.

The tech stock joined the TSX in 2014. Since then, shares have largely outperformed the Canadian market, sitting at a gain of just about 1,000%.

Where Kinaxis differs from its growth peers is in its valuation. The stock is trading at a P/S ratio of just 15. It's not cheap, but considering its track record, it's a steal. In addition to that, shares are down close to 40% right now.

If you're looking for a bargain growth stock, this is it.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice
2. growth
3. growth investing
4. growth stocks
5. kinaxis
6. kinaxis stock
7. KXS
8. lightspeed
9. Lightspeed POS
10. LSPD
11. LSPD stock
12. SHOP
13. Shopify Stock
14. tech
15. tech investing
16. tech stocks
17. technology

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

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

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice
2. growth
3. growth investing
4. growth stocks

5. kinaxis
6. kinaxis stock
7. KXS
8. lightspeed
9. Lightspeed POS
10. LSPD
11. LSPD stock
12. SHOP
13. Shopify Stock
14. tech
15. tech investing
16. tech stocks
17. technology

Date

2025/09/26

Date Created

2021/05/17

Author

ndobroruka

default watermark

default watermark