



Growth Stocks: 2 Potential 10-Baggers to Buy Right Now

Description

Investors looking for growth certainly have a number of high-quality options to choose from today. However, in Canada, many of the best [growth stocks](#) are either too richly valued for some investors, or fall too far along the risk spectrum for many to consider.

That said, there are a few high-quality growth stocks that have passed the test of time. Two such companies that are on my watch list right now are **Constellation Software** ([TSX:CSU](#)) and **Spin Master** ([TSX:TOY](#)).

Here's why.

Top growth stock: Constellation Software

Constellation Software has proven itself to be one of the best long-term growth stocks on the **TSX**. This company's [track record](#) of growth is truly something of beauty. Accordingly, for those who believe Constellation has a significant runway to move from here, this stock could be a steal at current levels.

The company's growth-by-acquisition strategy is key to Constellation's success. The company has acquired over 500 smaller software companies and formed an absolutely incredible global portfolio of products and services. What's perhaps even more impressive is Constellation's ability to grow its return on equity over the years. This is a company that gets *better* as it gets bigger. That's hard to find and it's one of the reasons why Constellation's valuation is where it's at.

This isn't a cheap company by any stretch of the imagination. However, investors are pricing in a high probability of continued success over the long term. I'm in the camp that believes that Constellation shares still represent value at these levels.

Risks to high-growth stocks still exist. Interest rates could climb, the economy could stumble, and valuations could once again be reset lower. However, over the long run, companies like Constellation will continue to outperform. Accordingly, this company remains one of my top picks.

Another top growth stock: Spin Master

Spin Master's has technically always been a high-growth stock. Even when the company was primarily focused on its toy manufacturing, distribution, and licensing business, Spin Master had a knack for finding the toys that resonated with children each and every year.

The company has since leveraged its intellectual property (IP), which includes highly popular brands such as *Hatchimals* and *Paw Patrol* to launch various verticals which have been extremely successful. For example, the company's digital gaming segment is now a core growth driver. This business is relatively new but has already grown to a US\$31.8 million business in very short order. A 400% year-over-year growth rate has helped the company achieve this.

I think Spin Master's management team is one of the best on the TSX. The company identifies ways to monetize its unique IP and has been extremely successful in doing so thus far. Until something changes, this is one of those growth stocks I think will continue to do very well over the long term.

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2. Tech Stocks

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TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:TOY (Spin Master)

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