



## The 3 Growth Stocks That Top My List!

### Description

For investors considering only the very best growth stocks, there are a number of Canadian options with outstanding potential. Beginning with the most recent “crisis” stock, shares of **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)), which were recently targeted by short seller Andrew Left of Citron Research, have held up nicely at a price of close to \$130.

The company has increased revenues at a rate of 98% since 2013. Shopify has started to produce positive cash flows over the past two years and may well be on the way to turning the corner to bottom-line profit. Given that many small- and medium-sized businesses are still finding their online footprints, investors can expect big things from this name moving forward.

Shares of Canada’s marijuana companies are next on the list of the best growth companies. At a current price of approximately \$13, shares of **Canopy Growth Corp.** ([TSX:WEED](#)) could still potentially double over the next year as the sales of marijuana becomes legal. In spite of having only half the year to sell “en masse,” shares of this company carry even more potential into 2019 and beyond.

Over the past 15 months, the company has spent close to \$40 million on capital expenses, while only recognizing depreciation expenses of close to \$6 million. Essentially, the company is in a massive expansion mode, which will see revenues increase substantially as time moves forward. Over the past two fiscal years, the company has more than tripled revenues, which could double again this year.

Rounding out the three stocks are shares of U.S.-based **Chipotle Mexican Grill, Inc.** ([NYSE:CMG](#)), which recently saw shares decline by approximately 15% on the news that earnings were weaker than expected. Although things are still moving in the right direction for the company, the consensus expectations of shareholders are still higher substantially greater than the results delivered by the company. The reason investors may want to own this security is that the trailing price-to-earnings ratio (P/E) is no more than 55 times given the normalized earnings of the company. Although this may seem like a high multiple for value investors, the metric is actually very reasonable for a growth company such as this one.

With a total of 35 new locations opened during the quarter, the company not only carries additional revenue capacity due to a greater amount of locations, but each location could potentially serve more customers throughout the day. Although the skeptics will argue, the truth is that the company has already “been there and done that” during its high-growth phase.

With a number of excellent names to choose from, investors need not look any further than to the things that are happening around them. Most investors have, at some point, bought something from a vendor powered by Shopify, eaten at Chipotle., and, in less than one year, will have the opportunity to legally try marijuana.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:CMG (Chipotle Mexican Grill, Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:WEED (Canopy Growth)

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1. Investing

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