2 Stocks That Have Soared Past the TSX in the Last 12 Months

Description

Finding stocks that can produce good returns can be hard to find. You can look at stocks that have been showing phenomenal growth, like marijuana stocks, and the inevitable problem is that the potential upside left is minimal. It's no surprise that we've seen cannabis stocks slow down this year for that very reason.

At the other end of the spectrum, you could look at stocks that have struggled and that have been on significant declines, but the problem is that buying on a dip doesn't guarantee you'll get results either, as the share price could go on to decline even further.

The best option is to look at companies that have strong growth prospects and that have seen strong revenue growth. Below are two stocks that have doubled in price in the past year and that could still have a lot of upside today.

Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS) has seen its share price more than double since listing on the TSX a little more than a year ago. Although the stock has seen a bit of volatility to start 2018, it has still managed to climb 12% in the first three months of the year.

While I may not be a buyer of Canada Goose's products, I'm a believer in the company's results. In its most recent quarter, the company's sales were up 27% from a year ago, while profits rose by 62%. The seasonality of Canada Goose's product line makes the company's financials very dependent on the winter season, and that is why in two of the past four quarters, the company's bottom line has finished in the red.

The lack of consistency hurts Canada Goose's financials, and that has put its price-to-earnings ratio at over 70. Its price-to-book multiple is also more than 30, and that makes the stock a very expensive buy. However, as the company continues to string together strong results, those multiples will come down over time.

Investors have shown a willingness to pay a premium for the company's brand and its focus on quality craftsmanship, and that's also why I don't expect the stock price will slow down this year.

Shopify Inc. (TSX:SHOP)(NYSE:SHOP) has been one of the stars of the TSX for the past few years, as the share price has soared more than 400% in the past three years. The share price was doing well this year, until the company faced unfounded criticism yet again from the same short seller that convinced investors to dump the stock back in October.

The stock recovered from that attack and eventually broke $200 a share before this latest setback. It will bounce back again, as there are too many reasons for investors to buy the stock. Take for instance that its revenues have grown by more than 70% last quarter, which is actually a slower rate of growth than what the company achieved in the past.

Shopify is a great growth stock, because there are many avenues for the company to grow. With possibly any online vendor using Shopify's services, the stock is just barely scratching the surface of what it can do.

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