



## 3 Top Growth Stocks to Buy in September

### Description

There are plenty of publicly traded companies that have lots of potential to grow their businesses and reward their investors. However, it's just a fact that not all of them will be able to deliver on that potential over the long term.

This uncertainty — along with the volatility that often comes with [investing in growth stocks](#) — can leave some investors wary of getting started with these types of stocks. If that's you, then here are three companies that not only have lots of potential to keep growing, but are likely to end up as great investments for years to come.

Here's why investors should consider **HubSpot** ([NYSE: HUBS](#)), **Shopify** ([NYSE: SHOP](#)), and **Okta** ([NASDAQ: OKTA](#)).

### 1. HubSpot

HubSpot is as a cloud-based marketing platform that helps businesses create online content, send emails, find new client leads, and manage their overall marketing strategy.

HubSpot's business is built on the freemium model, which gives its users access to a suite of online services completely free, while providing a more comprehensive list of additional features and services for a fee. So far, this model has worked very well for the company.

In the [most recent quarter](#), HubSpot's sales skyrocketed 33% thanks to the company's impressive growth from its subscription segment. Subscription revenue accounts for 95% of the company's total sales, and in the second quarter, this segment increased 34% year over year. Rising revenue and subscription sales are a very good indicator that HubSpot's customers like the company's products so much that they have no problem converting from a free user to a paying one.

Additionally, HubSpot's overall customer base is growing. HubSpot ended the second quarter with about 65,000 customers, an impressive 35% increase from the year-ago quarter. And it doesn't appear that the company is slowing down any time soon. HubSpot's management expects the company's

sales to jump 28% in the third quarter and is continually building out its international sales as well, which should help bring continued growth for the company's top line.

## 2. Shopify

**Amazon** may seem like the only e-commerce game in town, but investors need to pay attention to what Shopify is doing in this space. The company provides a platform to businesses of all sizes to sell their online goods and services.

In the [most recent quarter](#), Shopify increased its sales by 48% year over year and finished out the quarter with about 800,000 merchants on its platform. The company makes its money from its merchant solutions business (which is comprised of payment transactions, fees, and hardware sales) and its subscription solutions (which is driven primarily by subscriptions to the company's platform). In the second quarter, merchant solutions sales popped 56%, and subscription solutions increased by 38%.

Aside from that impressive growth, the company is also expanding new services, like [Shopify Plus](#), which gives large companies access to services specific to major brands. Shopify Plus now accounts for 26% of the company's monthly recurring revenue, up from 23% in the year-ago quarter.

If you're wondering if there's any room left for Shopify to grow beyond how much it already has, just consider that the global e-commerce market will be worth \$4.8 trillion by 2021, up from \$2.8 trillion last year.

## 3. Okta

Last, but certainly not least, is the identity-as-a-service company, Okta. If you've never heard of such a term as identity-as-a-service, then think of Okta's platform as a gatekeeper that gives certain users access to online information and services, while restricting others. Companies are increasingly using services like this to manage their growing amount of online accounts and information.

The opportunity for Okta and its investors comes from the fact that the identity management market will be worth \$24 billion by 2025.

Okta's [second-quarter results](#) show just how impressive the company's growth is. Sales jumped 49% in the quarter, and subscription revenue was up 51% from the year-ago quarter. Additionally, Okta added 450 new customers in the quarter, bringing its total to more than 7,000. What's even more impressive is that Okta is now [attracting larger and more lucrative customers](#) to its platform. In the second quarter, the company signed its first Fortune 50 company, and the average contract value from its top 25 customers has doubled over the past year.

Okta has built a strong business in the niche identity management market. And with the company's early move in this space, Okta should be able to continue growing right along with this expanding market.

## Keep an eye on these stocks

There's no guarantee, of course, that these three stocks will generate strong returns for investors. But each one of them is already doing a fantastic job of growing their business and tapping into their respective markets. If they keep it up, investors should be rewarded over the long term.

### CATEGORY

1. Investing
2. Tech Stocks

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### TICKERS GLOBAL

1. NASDAQ:OKTA (Okta)
2. NYSE:HUBS (HubSpot)
3. NYSE:SHOP (Shopify Inc.)

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