



Turn \$10K Into \$1 Million With a Single Investment

Description

Why are investors always on the lookout for the next **Amazon** ([NASDAQ:AMZN](#))? The answer is simple, there is perhaps no company that has grown as fast and been as disruptive.

A \$10,000 investment in Amazon at the time of its initial public offering (IPO) back in 1997 would be worth \$9.1 million today. By investing a small amount in a single company, investors who've held since the beginning would be millionaires today.

A similar investment 10 years ago would be worth \$141,390 — an increase of 1,310%! What about a \$10,000 investment five years ago? Your investment would have shot up by 500% and would be worth \$60,000.

As you'll notice, the returns remain impressive, yet growth has slowed. In other words, the easy money has been made. Although it remains an attractive investment, don't expect similar returns over the next 10 years.

There are, however, some intriguing TSX-listed investment options for investors looking to turn \$10,000 into \$1 million. The [leading candidate](#) thus far has been **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Since its IPO in 2015, Shopify's stock price has shot up 1,100%, and a \$10,000 investment would be worth \$120,000 today. Not a bad start! Although it still has a ways to go, the company is on track to turn that initial investment into \$1 million by 2024.

This assumes the company's stock price will grow by an average of 50% annually, which is below its five-year expected annual earnings growth rate of 62%. This is entirely plausible.

If you missed out on its IPO, it doesn't mean there isn't money to be made. A \$10,000 investment today would be worth approximately \$70,000 in 2024 based on the above. That is a gain of 600%! Not many investments can yield that kind of return.

If you've noticed, the key to achieving that \$1 million mark is to get in early on in its life cycle. With that in mind, one hyper-growth stock for your consideration is **Lightspeed POS** ([TSX:LSPD](#)). The company

only IPO'd this past March, and its stock price is already up 68%.

On Thursday, the company posted strong quarterly results in which revenue topped expectations. Although earnings missed by a few pennies, generating profits is not the focus in these early days.

If you are a stickler for profitability, you would have missed out on Shopify and Amazon. Both did not become profitable until years after their IPOs. It is best to value growth based on revenue and at the pace in which the company is scaling its business.

Along with yesterday's results, Lightspeed guided upwards on revenue. It now expects full-year 2020 revenue to grow by 52.5% (at the mid-range) over fiscal 2019, up from 46.5% previously. It is worth noting that growth is accelerating, as it marks the second consecutive quarter it has revised guidance upwards.

Analysts have also been guiding upwards and expect average earnings growth to top 70% annually over the next few years. Outside of Shopify, no other TSX-listed tech company has [comparable growth rates](#).

Using the same principles, a \$10,000 investment in Lightspeed at today's prices of \$31.50 would be worth \$1 million in approximately 12 years. Assuming, of course, it can grow its business by 50% annually over this period. We are very early in its life cycle; however, the potential exists.

Foolish takeaway

Who wants to be a millionaire? Although there is no quick path to \$1 million, there have been plenty of opportunities to reach that milestone with a single investment. Lightspeed has this type of potential.

There is plenty of risk investing in a company in its infancy. There are still plenty of unknowns, and management remains unproven. However, the same was true of Shopify and Amazon in its early days. Reward doesn't exist without risk, but the payoff can be astronomical.

CATEGORY

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2. Tech Stocks

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1. NASDAQ:AMZN (Amazon.com Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
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Author

mlitalien

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