



2 Hyper-Growth Stocks to Buy in 2020

Description

Want to double your money? Why stop there? What about tripling your money? This is the power of hyper-growth stocks.

The following two companies have been doubling and tripling shareholder capital for years. Over certain periods, investors have earned 1,000% gains.

Fortunately, the factors that caused this [hyper growth](#) in the *past* will also likely persist in the *future*. That means it's not too late for you to capitalize.

Here is your proof

Still skeptical that certain stocks can deliver incredible returns year after year? **Constellation Software Inc** ([TSX:CSU](#)) is a textbook example of a perfect growth stock.

From 2006 to 2012, Constellation stock quadrupled in value. From 2013 to 2015, the stock quadrupled *again*. The next few years brought yet another quadrupling. Quadrupling in value is seemingly all this stocks does.

What's the magic behind Constellation's incredible rise? One word: automation.

Constellation owns a broad portfolio of software that helps companies automate mission critical processes. You've likely never heard of any of its products because they're built for hyper-niche purposes. Some pieces of software are built for a single industry, or even a single company.

Offering software that only works for a handful of use cases doesn't sound lucrative, but it is. As I mentioned, these products automate *mission critical* processes. Without this software, some companies would cease to survive. This dynamic creates incredible pricing power and industry-leading renewal rates.

Now valued at \$26.6 billion, Constellation still only controls a small percentage of its overall market.

Don't expect growth to mirror the past, but the company should have no problem beating the market in 2020 yet again.

Take over the world

Constellation is taking over the world behind the scenes. **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) is doing it front and centre.

In 2016, Shopify shares were valued at \$30. In 2017, they hit \$130. In 2018, they crossed the \$200 mark, and by 2019, they surpassed \$500. When it comes to rapid growth, Shopify has few rivals.

The key to Shopify's rise has been its platform approach. If you can nail this strategy, the sky is the limit.

What do I mean by a platform approach?

Instead of building an entire e-commerce suite on its own, Shopify merely built the base infrastructure, opening up the rest of development to outside companies and individuals. It's similar to the **Apple** App Store, where users can download thousands of apps from developers all over the world through a simple portal.

Shopify's e-commerce platform is hard to beat. It already has more developers than any competitor, meaning customers get better capabilities. This attracts more customers, which attracts even more developers. It's a virtuous cycle. As Shopify grows, it becomes even more valuable to every user on its platform.

Long term, the company has likely tapped into just a small fraction of its total potential. Its market cap is now at \$60 billion, but in 2019, global e-commerce sales exceeded \$30 trillion. The stock is pricey, but it's worth the premium.

As Shopify continues to gain strength and momentum, don't be surprised to see another banner year in 2020, with shares healthily outperforming the market.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred

4. Sharewise
5. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/26

Date Created

2020/01/02

Author

rvanzo

default watermark

default watermark