



## TFSA Investors: 2 Growth Stars That Will Shine Again This Decade

### Description

The S&P 500 significantly outperformed the energy- and materials-heavy TSX in the previous decade. However, as I'd [discussed in an article this past weekend](#), there were many TSX-listed stocks that still thrived in the 2010s. Canadian investors need to pick their spots, but if they do this effectively, they can be rewarded just as handsomely as their American counterparts.

Today, I want to look at two stocks that thrived in the previous decade. One stock managed to outpace its United States-listed counterparts in the explosive tech sector. Both are facing new challenges in this young decade, but these equities can thrive once again in the 2020s.

### Shopify

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) made its debut in May 2015 and has been on a tear ever since. The stock opened back then trading at \$17 per share. Shares closed at an astonishing \$611 on January 24. Shopify stock has climbed 189% year over year.

Back in the spring of 2019, I'd discussed why Shopify could become the Canadian **Amazon**, as it navigated its way through the [fast-growing e-commerce space](#). Its ability to get to the coveted \$1,000 mark will rely on its ability to establish a strong international presence. Investors can expect to see its fourth-quarter and full-year results for 2019 before markets open on February 12.

In the third quarter, Shopify reported 45% revenue growth and gross merchandise volume (GMV) of \$14.8 billion — up \$4.8 billion from the prior year. However, its adjusted net loss deepened to \$33.6 million, or \$0.29 per share, compared to an adjusted profit of \$5.8 million, or \$0.05 per share, in Q3 2018. Shopify has been volatile over the past year, but it boasts incredible growth potential and a very strong balance sheet. It is simply too hard to bet against Shopify to start this decade.

### Dollarama

**Dollarama** ([TSX:DOL](#)) is the top dollar store chain in Canada. The stock was one of the highest

performers on the TSX in the 2010s. It achieved a 10-year total return of 1,030% as of close on December 31, 2019. Shares have climbed 34% year over year as of close on January 24.

The company posted its third-quarter fiscal 2020 results on December 4. It reported 21 net new store openings in Canada in the quarter, and it posted a 5.3% increase in comparable store sales. Dollarama encountered some turbulence in the late 2010s as growth slowed on the domestic front. The company has also been forced to contend with the realities of the global trade war while keeping its prices competitive.

Its deal to acquire a 50.1% interest in the Latin American value retailer Dollarcity was the most exciting development in 2019. Economic growth is expected to gradually increase across Latin America over the next two years. Dollar store chains had a renaissance in North America in the 2010s, and this same growth is being achieved in Dollarcity's home countries. Based on its year-to-date performance, Dollarcity anticipates that it will surpass its annual target of 40-50 net new stores for the calendar year 2019.

Dolarama has bolstered its growth potential with this move. It is carrying forward high debt levels, but I still like the retailer as a buy-and-hold stock in late January.

#### **CATEGORY**

1. Investing
2. Tech Stocks

#### **POST TAG**

1. Editor's Choice

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1. NYSE:SHOP (Shopify Inc.)
2. TSX:DOL (Dollarama Inc.)
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