



2 Stocks I'm Buying Next

Description

As a growth investor, I aim to hold companies with long growth runways in my portfolio. Canadian names I own include **Lightspeed** and **Shopify**. Looking ahead, which two companies am I hoping to add soon?

An up-and-coming e-learning platform

Docebo ([TSX:DCBO](#)) provides a cloud-based e-learning platform for enterprises. It makes use of artificial intelligence to help managers identify weaknesses within the workforce. Docebo also offers management and analysis software, which helps streamline the training process.

Over the past four years, Docebo has been able to increase its revenue each year. Since 2016, its annual revenue has increased by more than 400%. The company has also become profitable over the past 12 months, which is a great milestone. Docebo has a very strong balance sheet, with over \$46 million in cash on hand and only \$20,000 in short-term debt. If the COVID-19 pandemic continues to restrict companies from spending, Docebo should be able to outlast the tough period.

Docebo has gone up 39% [since I first covered it](#). Is there still room for growth? Though there may be a stagnant phase while the company's earnings catch up to its valuation, Docebo is still a very young company. It currently has a market capitalization of \$1 billion, so the growth runway is still quite long if Docebo stays on track. With big customers signed up to its platforms (e.g., **Appian**, **Cineplex**, **Thomson Reuters**), the future is looking good for the company.

Growth by acquisition

One of the top Canadian tech companies over the past decade has been **Constellation Software** ([TSX:CSU](#)). The company acquires smaller tech companies that appear to have a very positive future with hopes of helping them grow into exceptional companies. As the acquired company grows in size, so does Constellation. It is a proven business model that the company has executed for over two decades, and it has shown no signs of faltering soon.

Led by an excellent management team, Constellation's subsidiaries have been reaping the rewards of the coaching and resources made available by the parent company. This has been reflected in Constellation's revenue over the years. Over the past four years, the company's revenue has increased each year. Like Docebo, Constellation has a very strong balance sheet with more than 10 times the amount of cash on hand than short-term debt.

Constellation stock has increased over 8,000% since the company's IPO, so it is reasonable for investors to ask how much growth is possible in this company. At a \$32 billion market cap, Constellation is one of the largest companies in Canada.

As stated in the company's [2017 President's Letter](#), Constellation is still trying to stay ahead of its competitors. This indicates to me that the company still aspires to grow aggressively in the future and maintain its market share within the industry. I am confident that Constellation will continue to benefit shareholders for many years.

Foolish takeaway

Docebo and Constellation Software are two very exciting companies. Although they differ greatly in terms of life stages, both companies appear to have very long growth runways ahead. I do not currently own shares in either company at the moment, but I am hoping to change that soon. Perhaps consider looking into these two companies if you are looking for strong growth in your portfolio.

CATEGORY

1. Investing
2. Tech Stocks

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3. growth
4. investing
5. long term growth
6. market
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TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:DCBO (Docebo Inc.)

PARTNER-FEEDS

1. Business Insider
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3. Msn
4. Newscred
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