



\$10,000 Invested in These 3 Growth Stocks Could Make You a Fortune Over the Next Decade

Description

[Growth stocks](#) have the potential to increase your wealth multifold. Companies that eye rapid expansion in sales and profits tend to outperform broader markets over a period of time. You need to invest in companies that have expanding addressable markets that enable them to grow the top line at a robust pace.

We'll look at three such companies that are well poised to grow your wealth in the next decade.

Canada's top growth stock

The first company on the list is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), a Canada-based e-commerce giant that has crushed equity indexes since it went public back in May 2015. Shopify stock is trading at a price of US\$928, which is 5,358% above its IPO price. The company has a market cap of \$147.9 billion, making it Canada's most valuable firm.

While most stocks are trading in the red for 2020, Shopify stock has returned 138% in 2020. This upward spiral has meant the stock is trading at a forward price-to-sales multiple of 68. Though investors might be concerned over the stock's sky-high valuation, the long-term prospects of the company remain intact.

The COVID-19 pandemic has accelerated the shift towards online shopping. It is now the second-largest e-commerce platform in the U.S. and Canada and will continue to benefit from recently announced partnerships, such as the one with **Walmart**.

A cannabis giant

Similar to e-commerce, another high-growth segment is the marijuana space. While most marijuana companies are grappling with negative profit margins, **Aphria** (TSX:APHA)(NYSE:APHA) is one pot company that has managed to hold its own in a volatile macro environment.

Similar to most other marijuana players, Aphria stock has also burnt significant investor wealth in the last 15 months. It is trading at \$6.93, which is 70% below its record high. However, the rapidly growing marijuana market coupled with Aphria's strong financial metrics and low valuation make it a top bet for 2020 and beyond.

Aphria's acquisition of CC Pharma provides the company with an ideal opportunity to grow its presence in Europe's expanding medical marijuana market. CC Pharma distributes products to over 13,000 pharmacies in Germany, Europe's largest medical marijuana market.

While the Canadian market is impacted by structural issues, Aphria has [increased its sales](#) in the first three fiscal quarters of 2020 to \$391 million. Comparatively, its sales in 2019 stood at \$237 million.

A tech juggernaut

Another company that should continue to beat the equity market is **Constellation Software**. This diversified software company has created massive investor wealth in the past decade. CSU stock has returned 3,800% in the last 10 years and is up 27% in 2020 as well.

CSU acquires profitable tech companies that are generally valued between \$5 million and \$10 million, that provide enterprise-facing mission-critical services. Constellation Software has over 125,000 customers in 100 countries and continues to grow via acquisitions.

In the first quarter of 2020, CSU sales were up 16% at \$953 million and analysts expect revenue to grow by 14% to \$3.97 billion in 2020.

The Foolish takeaway

Long-term investors can allocate part of their capital in quality growth stocks, which might help them accelerate their retirement.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Cannabis Stocks
2. Investing
3. Tech Stocks

Date

2025/09/16

Date Created

2020/07/20

Author

araghunath

default watermark

default watermark