$2,000 Invested in These 2 Growth Stocks Could Make You Rich in 10 Years

Description

Canadian market valuations are close to returning to pre-COVID-19 levels. The **S&P/TSX Composite Index** has experienced extreme levels of volatility, but the index is only down about 5% on the year.

The Canadian market witnessed a record-setting drop earlier this year. The previously mentioned index lost more than 30% in just over one month. Paired with the rise of a global pandemic, it was a very unsettling time for investors.

Perhaps not as quickly as it fell, but the market has surged back up over the past four months. Since a March 23 low, the **S&P/TSX Composite Index** has gained an incredible 40%. Investors may be ecstatic with the gain, but it begs the question: Are we w now due for a market pullback?

Fortunately, as a Foolish investor, I don't need to sweat over short-term volatility. The market may go on a healthy pullback for the next 3 months, or it may keep driving higher, but it won't have any effect whatsoever on my investing philosophy.

Foolish investing is about buying quality market-leading companies and holding for the long term. I've covered two top growth stocks that could make you a fortune if you're able to hold for at least 10 years.

Enghouse Systems

Up 50% this year, and close to a 10-bagger over the past decade, **Enghouse Systems** (TSX:ENGH) has smashed the returns of the Canadian market over the long term. The $4 billion company doesn't look like it plans on slowing day anytime yet.

The tech company is in the business of developing enterprise-level software solutions, which may explain why many Canadian investors may be unfamiliar with the name.

The sudden shift from office work to remote-work across the globe is a serious tailwind that Enghouse Systems is well position to benefit from. The company has already established itself as a leader in developing software for telecommunications networks and visual computing tools.

Docebo

Docebo (TSX:DCBO) is a much younger and smaller company than Enghouse Systems. Valued at a market cap of just over $1 billion, the company went public less than one year ago.

The tech company specializes in training employees, partners, and customers in all types of industries. Docebo has built a cloud-based platform to centralize the learning and training experience. The platform is powered by artificial intelligence to help provide a customized experience for each user.

The Toronto-based company has seen its share price grow by close to 150% since going public last fall. Continuing at an annual growth rate of 150% may be a bit aggressive, but management is confident that there is still plenty of growth ahead for the company.

Docebo has managed to increase quarterly revenue by more than 50% over the last three quarters. In addition to that, management commented that they are seeing a rise in demand for its products and services due to the sudden shift to remote-work over the past several months.

The tech company has also implemented a SaaS (software-as-a-service) subscription model that leads to a predictable revenue stream. Close to 90% of all the company's revenue today is recurring.

Foolish bottom line

The market may spend the next couple of months cooling off, but that shouldn't change the long-term growth potential for either of these two companies. Both Enghouse Systems and Docebo have aggressive projected growth rates, but there are strong tailwinds that each are expected to benefit from.

If you have $2,000 ready to invest in the stock market today, these are two growth stocks I'd suggest you take a serious look at.

CATEGORY

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2. Tech Stocks

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TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
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ndobroruka