6 Recent IPOs That Could Turn $6,000 Into $60,000

Description

Investing in IPOs is not for the faint of heart, but can be incredibly lucrative if you choose wisely. Here are six stocks our Foolish writers believe have the potential to turn $6,000 into $60,000.

Nicholas Dobroruka: Lightspeed POS

Since joining the public market in March 2019, **Lightspeed POS** (TSX:LSPD) has seen its stock price grow by more than 50%. While that's definitely outpacing the broader Canadian market, investors who picked up shares 18 months ago have endured high levels of volatility up to this point.

What was once known solely as a Canadian-based point-of-sale (POS) provider, Lightspeed has spent the last several years developing into a cloud-based omnichannel platform serving customers across the globe. The tech company now offers a wide range of solutions for its clients, including, but not limited to, inventory management, analytics and marketing, and employee management.

The Montreal-based company is not yet profitable, but that shouldn't worry investors just yet. While the company will need to turn a profit eventually, my focus remains on Lightspeed's ability to continue its rapid growth rate. Year over year revenue growth has been accelerating since 2018, most recently driving a year over year growth of 56% in the company's full 2020 fiscal year.

You'll need to pay a premium to own shares of this tech stock, but if the revenue growth continues at the same rate, Lightspeed could very well keep outperforming the market for many more years.

Fool contributor Nicholas Dobroruka owns shares of Lightspeed POS Inc.

Jed Lloren: Docebo

As I have mentioned previously, **Docebo** (TSX:DCBO), which launched its IPO in October 2019, is poised for market beating growth in the years ahead. Right now, there are two big catalysts for Docebo's stock. The company provides an online training platform for enterprises, which is becoming an essential feature for businesses as many adopt permanent work-from-home structures in response to the COVID-19 pandemic. This has been reflected in its stock price via a 270% gain since hitting its bottom during the market crash.

The second catalyst for the company is continued digitization in the business world. Many aspects of business are turning digital, and I am confident that we will eventually see more businesses training their employees online rather than in-person. This, in addition to the best-in-class features currently offered on Docebo's platforms and the company's plans for future growth, make me confident in continuing to support this stock.

Fool contributor Jed Lloren has no position in the companies mentioned

Ambrose O'Callaghan: Andlauer Healthcare

Andlauer Healthcare Group (TSX:AND) is one of my favourite newcomers to the TSX. This explosive tech and healthcare stock can turn $6,000 into $60,000 for investors. It launched its IPO on December 11, 2019. A $6,000 investment in Andlauer at its $15 IPO price would be worth nearly $15,000 as of close on July 23.

The company provides a platform of customized third-party logistics and specialized transportation solutions for the healthcare sector. MarketsAndMarkets recently projected that the healthcare supply chain management market would achieve a CAGR of 7.9% from 2018 through 2025. Earnings at Andlauer are geared up for strong growth in the years to come, and it boasts an excellent balance sheet.

In Q1 2020, Andlauer achieved revenue growth of 14.4% to $81.7 million. Meanwhile, EBITDA climbed 9.2% to $18.8 million. Impressively, Andlauer managed to maintain service levels in the face of the pandemic. Best of all, the stock last had a price-to-earnings ratio of 22. This puts it in attractive value territory relative to industry peers.

Fool contributor Ambrose O'Callaghan has no position in any stocks mentioned.

Mat Litalien: Dye & Durham

Canada's most recent IPO, **Dye & Durham** (TSX:DND), is well-positioned to reward investors in a big way. After multiple false starts, the company finally began trading on the TSX Index on Friday, July 17.

On the day of its IPO, the company's stock soared and closed at $14.80 per share. This was close to a 100% gain from the company's IPO price of $7.50 per share. Although the stock price has since consolidated, the big jump on opening day was to be expected. The company's $150 million IPO was oversubscribed by ~$1 billion.

Strong demand is not surprising. Dye & Durham is a trading at approximately 5 times sales, a pretty steep discount to its software as a service (SaaS) peers. This is especially true considering this legal software company has been growing revenue at a 70%+ annual clip.

Given the fragmented nature of the industry, this level of growth is likely to be sustained which makes

DND a top pick in 2020.

Fool contributor Mat Litalien owns shares of Dye & Durham.

Stephanie Bedard-Chateauneuf: WELL Health Technologies

WELL Health Technologies (TSX:WELL) was uplisted to the TSX in 2020. It could easily turn $6,000 into $60,000 in less than five years. The stock has already doubled in value in 2020.

WELL Health is a healthcare clinic operator with 20 clinics across Canada. It is the country's third-largest electronic medical records supplier and is a national telehealth platform.

WELL launched in early March VirtualClinic +, a telehealth platform that connects patients to healthcare professionals remotely to limit in-person contacts. The company's first quarter 2020 revenue was $10.2 million, up 38% year-over-year. For the full year, sales are expected to grow by 32% to $43 million.

WELL has great opportunities ahead, as it aims to consolidate a valuable fragmented industry in healthcare and technology. The healthcare operator announced on July 8 that it would acquire Cycura's services division to protect personal health information.

Fool contributor Stephanie Bedard-Chateauneuf has no position in any of the stocks mentioned.

Vishesh Raisinghani: GFL Environmental

Recently-listed **GFL Environmental** (TSX:GFL) is an industry leader in a sector that's both fragmented and stable. Waste collection is a natural monopoly where the dominant player can generate a robust stream of cash flows for many years. GFL, however, isn't sharing that cash flow with shareholders yet. Instead, it's deploying the capital back into expansion.

Over time, consolidating the market should help the company emerge as one of the most reliable dividend stocks on the market. For comparison, GFL's American rival is seven times larger in market capitalization. Turn trash into gold with this underrated new stock.

Fool contributor Vishesh Raisinghani has no position in any of the stocks mentioned.

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2. TSX:DCBO (Docebo Inc.)
3. TSX:DND (Dye & Durham Limited)
4. TSX:GFL (GFL Environmental)
5. TSX:LSPD (Lightspeed Commerce)

6. TSX:WELL (WELL Health Technologies Corp.)

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