



## Forget Shopify (TSX:SHOP), These 2 Grow Stocks Could Make You Rich

### Description

The Canadian market may only be down about 5% year to date, but at times it has looked a lot worse than that. The **S&P/TSX Composite Index** dropped a record-setting 37% in just over a month earlier this year. That index has since rebounded by surging more than 40% since the March 23 low.

While many Canadian companies have followed the broader market through the volatile swings this year, there's been no shortage of companies that have seen stock prices soar throughout this recession.

### Is Shopify a buy at this valuation?

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has already seen its stock price double this year and doesn't look like it has any plans of slowing down just yet. While I'm a big believer in the growth of Shopify, [the valuation is getting harder and harder to justify](#).

Trading at a very lofty price-to-sales of 80, Shopify investors are banking on the fact that there is still a serious amount of growth left in this company. While I'm a very satisfied Shopify shareholder, I'll wait until the valuation cools off before I pick up any more shares.

I've covered two other tech stocks that may not have the same type of growth expectations as Shopify, but I believe both have plenty of market-beating years ahead of them.

### BlackBerry

Trading at a price-to-sales of about 3.5 today, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) might not be considered a value stock, but it's a bargain in comparison to Shopify.

BlackBerry was at one point a major player in the smartphone industry. The tech company has since changed its strategy and is now in the high-margin business of software development. The Canadian company specializes in developing AI-driven cybersecurity and data privacy solutions to enterprise-level clients.

BlackBerry is already regarded as a top player in the industry, but the company is still making acquisitions to capture even more market share as the industry continues to grow. The tech company [recently acquired Cylance](#), an AI-cybersecurity company known for its strong machine learning capabilities. The deal cost BlackBerry close to US\$1.5 billion in cash.

The annual growth rate for the cybersecurity industry is estimated to be above 10% annually for the next seven years. If BlackBerry is able to continue to aggressively grow its market position in this industry, I believe there's a strong possibility that this company will return to a growth rate that it witnessed over a decade ago.

## Real Matters

**Real Matters** ([TSX:REAL](#)) is another tech stock that investors will need to pay a premium to own. The \$2 billion company has a similar valuation to BlackBerry, trading at a price-to-sales just over 5.

The tech business is known primarily for providing technology and network management solutions to mortgage lenders and insurance providers to customers across North America.

The company has seen a shift in demand in certain products throughout the COVID-19 pandemic. Management recently highlighted that the company is witnessing a significant increase in refinancing services due to the low interests, but the overall purchase transactions over the past several months have taken a substantial hit.

The stock has already doubled this year and is up over 250% over the past 12 months. Investors may want to hold off adding shares until the next pullback, but it's anyone's guess to when the stock is actually going to slow down.

## Foolish bottom line

There are plenty more options than just Shopify for investors looking to add a growth stock to their portfolio, however. BlackBerry and Real Matters are two stocks that may not receive the same spotlight as Shopify, but I believe their strong market position in their respective growing industries should reward shareholders over the long term.

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1. Investing
2. Tech Stocks

### POST TAG

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:BB (BlackBerry)
4. TSX:REAL (Real Matters Inc.)
5. TSX:SHOP (Shopify Inc.)

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ndobroruka

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