



## Better Than Shopify (TSX:SHOP): 2 Stocks With Explosive Growth Prospects

### Description

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) needs no introduction when it comes to generating sky-high returns. The stock has generated stellar growth ever since it listed on the exchange and made its investors very rich. Even amid the current pandemic, Shopify stock is on a tear, rising over 160% year to date.

The e-commerce company is growing at a breakneck pace and continues to expand its market share second only to **Amazon** in the U.S. retail sales. As more and more businesses shift online amid growing customer demand, Shopify's platform is witnessing stellar growth in traffic.

Its gross merchandise volumes more than doubled in the most recent quarter. Further, its revenues jumped about 97% year over year. The surge in demand for its platform and services should continue to support its stock in the coming years.

However, few **TSX** stocks have outgrown Shopify this year. Besides, the rally in these stocks has only just begun. So, without further ado, here are two TSX stocks that could fetch better returns than Shopify stock.

### Docebo

Shares of **Docebo** ([TSX:DCBO](#)) have jumped over 238% so far this year, outperforming Shopify stock by a wide margin. The company's transition from an open-sourced model to the cloud-based enterprise learning platform has facilitated its growth.

Meanwhile, the growing importance of corporate e-learning solutions and the outbreak of the pandemic provides a strong base for growth in the future.

The company has been performing exceptionally well over the past several years. Its revenues continue to benefit from the increase in the deal size. Meanwhile, its recurring revenues have increased at a compound annual growth rate (CAGR) of 69% between fiscal 2016 to fiscal 2019.

Further, its average contract value has grown over 2.7 times since 2016. Docebo's customer base is growing fast, while the retention rate remains high.

In the [most recent quarter](#), Docebo's top line jumped 46.5% year over year. Meanwhile, annual recurring revenues soared by 54.5%. The average contract value increased by 24.6%, while the customer base improved by 23.9%.

Investors should note that stellar growth annual recurring revenues, continued improvement in customer base, and high retention rates indicate that Docebo would continue to generate strong growth in the coming quarters, which should drive its stock higher.

## Facedrive

Shares of **Facedrive** (TSXV:FD) are up about 780% year to date, which is well above Shopify's growth. The company's eco-friendly ride-sharing platform is witnessing steady growth in its customers and drivers base. Besides, its cost of acquiring new customers is low, which is likely to cushion margins in the long run.

Facedrive has a large addressable market that's likely to support the outside growth in its stock. The company is gradually expanding in the domestic market, which is encouraging sign. Meanwhile, Facedrive plans to expand in the U.S. and Europe, which is likely to accelerate its growth.

With robust growth in user and driver base, increase in rides completed per month, and expansion opportunities, [Facedrive could continue to outperform](#) the majority of the stocks listed on the TSX.

## Bottom line

These two companies have outgrown Shopify so far this year and hold the potential to generate explosive growth in the long run. The secular industry trends and large addressable markets are likely to provide a strong underpinning for growth.

### CATEGORY

1. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:DCBO (Docebo Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSXV:STER (Facedrive Inc.)

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