



## 2 Ultra-High-Growth Stocks to Buy Right Now

### Description

Shares of **Dye & Durham** ([TSX:DND](#)) and **Lightspeed POS** ([TSX:LSPD](#)) have generated massive returns in the recent past. Still, I am optimistic about both these stocks and expect further upside. The reason? A large addressable market and favourable industry trend. Investors can expect further expansion in the valuation multiples of these stocks, thanks to their high growth rate.

### Multiple growth catalysts to support Dye & Durham stock

Dye & Durham stock more than tripled from its initial public offering price of \$7.50 per share. The company listed on the **Toronto Stock Exchange** (TSX) on July 17. The astronomical growth in its stock is due to its stellar financial performance and large blue-chip customer base. Besides, its accretive acquisitions further fuel growth. Dye & Durham stock is also benefitting from the investors' optimism over tech stocks amid the pandemic, which I believe could sustain even after the pandemic is over.

Dye & Durham's tech-based platform supports legal professionals with instant access to public records. The demand for its products and services remain very high, as is evidenced by its strong customer base, lower churn rate and robust financial performance.

Investors should note that Dye & Durham has more than 25,000 active customers with a churn rate of a mere 2%. Its [revenues](#) and adjusted EBITDA have increased at a compound annual growth rate (CAGR) of 71% and 136%, respectively, from FY16 to FY19. The company's robust growth reflects 14 acquisitions and sustained momentum in the underlying business.

With a strong market positioning and growing demand for its products, Dye & Durham was able to increase prices despite the pandemic, which is encouraging and should support future revenues and EBITDA growth.

A large addressable market, benefits from acquisitions, growing customer base, and high customer retention rate could continue to support the upside in Dye & Durham stock in the coming quarters.

## The structural shift to drive Lightspeed POS stock

The pandemic has accelerated the shift toward the omni-channel platform, which is benefitting the shares of Lightspeed POS in a big way. Lightspeed stock has surged over 320% from its March lows and recouped all of its lost ground. The robust demand for its digital platform drove the recovery.

Lightspeed's digital products help small- and medium-sized businesses (SMBs) in managing payments, e-commerce, and supply chain. Amid the pandemic, Lightspeed simplified its onboarding process for the SMBs, which resulted in driving the number of customer locations higher.

Investors should note that the structural shift to omni-channel platform has created a multi-year growth catalyst for Lightspeed. I believe small retailers and restaurateurs will continue to add omni-channel capabilities, even in the absence of the pandemic.

As the gross transaction volume (GTV) is rising amid an acceleration in demand, Lightspeed POS could benefit from monetizing a larger portion of its customers' GTV. Meanwhile, higher recurring software and payments revenue and increased ARPU is encouraging.

### Bottom line

The recent rally in Dye & Durham and Lightspeed POS stock may keep you on the sidelines. However, investors should note that the secular industry trend and high demand for their products could continue to drive the shares of both these companies. Long-term investors should add these stocks in their portfolio to [benefit from their high-growth prospects](#).

### CATEGORY

1. Coronavirus
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:DND (Dye & Durham Limited)
2. TSX:LSPD (Lightspeed Commerce)

### PARTNER-FEEDS

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

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1. Coronavirus

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**Author**

snahata

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