Have You Added These 2 Growth Stocks to Your Portfolio?

Description

As a growth investor, I try to dedicate all my resources to companies that can provide me a return of multiples on my original investment. There are two companies that trade on the **TSX** that I believe are no-brainers. Both companies work in industries that require a massive disruption, and they could easily lead that movement. I own both companies and think all growth-oriented investors should as well.

These companies are leveraging the power of automation

Some things in the world seem to have always been done the same way. For instance, companies will develop one way of training its employees and pass down the same curriculum from cohort to cohort. In other cases, companies will spend much time on menial and tedious administrative tasks, draining the company of its resources.

Because these tasks have always been done in the same fashion, companies that have facilitated these processes have become industry leaders. This is where our two growth stocks come in.

As mentioned previously, companies have been training their employees using the same curriculum and similar techniques forever. Although reliable, this process needs to be optimized and made more efficient as the world grows quicker with each passing year.

Docebo (TSX:DCBO) is trying to change this industry quite drastically. The company has found a way to leverage its proprietary artificial intelligence software to create a cloud-based enterprise training platform.

With Docebo's platform, training managers can assign material and track progress like never before. The platform's integrated AI can help identify inefficiencies within the employee training process and help managers optimize their curriculum. Currently, more than 2040 customers rely on Docebo for their employee training processes. This list of customers includes names such as **Hubspot**, **Uber**, and **Walmart**.

The second company works in the intersection of the legal and financial spaces. **Dye & Durham** (
TSX:DND

) is on a mission to automate the processes of due diligence, document creation, and electronic filing. Its primary customers are legal firms, financial service providers, and governments.

The industry that Dye & Durham works in is currently fragmented. Companies have either under-invested in their technology or do not have the means to scale their business. Dye & Durham see this as an opportunity to grow via acquisition, which has proven to be a solid growth strategy in Canada.

The company also believes that an increased intensity in terms of legal regulation and global compliance standards will help grow its customer base quickly.

How have these companies performed recently?

Docebo is a fairly recent IPO, first trading on the TSX in October 2019. By the time the market crashed in February, Docebo's stock had already increased 25%. After falling As much as 40% during the crash, Docebo stock increased more than 300%! This is a net increase of more than 250% since its IPO.

Dye & Durham is an even more recent IPO, first going public on July 17 this year. Because of this, it is hard to judge its performance on the market. However, since its first day of trading, Dye & Durham stock has increased 61.5%.

Foolish takeaway

Docebo and Dye & Durham are working in industries that require big changes in order to keep up with the fast-paced businesses of today. By automating previously tedious tasks, both companies have an opportunity to snatch large amounts of market share over the next decade. Both companies have also shown strong growth in their short times as public companies.

Since they are smaller companies, both stocks may be rather volatile in the near term. However, if you can stomach that volatility, I think every Canadian growth investor should own these two companies.

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1. Investing
2. Tech Stocks

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TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:DND (Dye & Durham Limited)

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Date
2025/08/23
Date Created
2020/08/29
Author
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