



2 Stocks to Watch Now

Description

There are quite a few growth stocks listed on the Canadian market that have run up quite a lot recently. It is not very often that the market gives you opportunities to jump into a great stock at a great price. Often, when the market pulls back, it is an excellent time to enter these high-flying growth companies. Which two stocks should investors watch now?

A top growth stock

This first is one I have [mentioned previously](#) as being one of my favourite stocks in the Canadian market. **Docebo** ([TSX:DCBO](#)) is one company that I own and will continue to add to for the foreseeable future. For those that are unfamiliar, Docebo provides an e-learning platform to enterprises. Through its training platform, managers are more easily able to monitor and assign employee training.

The company has a business model that should be very appealing to growth investors. In its [latest earnings report](#), Docebo reported a 54.5% year-over-year growth in annual recurring revenue. This also includes a 55.1% year-over-year increase in subscription revenue. These two figures are very important, because they provide the company with a reliable and predictable revenue source. Docebo's already impressive profit margin has also become even stronger, growing to 80.4% this past quarter.

Docebo plans on expanding its reach geographically in the future. However, it is currently doing impressive things in North America. Recently, **Amazon** announced that it will be using Docebo to scale access to its AWS Training and Certification products offerings.

Docebo has fallen more than 21% since hitting its peak in early August. While I think investors can wait for a bit more of a consolidation period, a 20% decline in a company's stock price, while showing very impressive growth, is always a welcome entry point for me.

This recent IPO is starting to cool off

The second stock is one that I have previously owned. While I try to sell out of positions as little as possible, there are instances when stocks run up much too quick for me and I decide to trim or exit the position. **Dye & Durham** ([TSX:DND](#)) was a hot stock immediately after its IPO.

From its IPO date to its peak, Dye & Durham stock increased nearly 90%. From its all-time low to all-time high, the company's stock increased about 150%. This is an incredible performance for a stock just about a month and a half from its IPO.

Dye & Durham is a leader among due diligence and corporate services companies. Its target markets are Canada, the United States, the United Kingdom, and Australia. Within these countries, Dye & Durham estimates a total addressable market of \$12.6 billion. If this number is accurate, then the company still has a very large opportunity for growth.

Currently, the stock is more than 17% lower than its all-time highs. It is still much too early in the company's history to assess its growth trajectory. However, this fall in stock price may simply be profit taking. If you are interested in this stock, entering around this price range could be a good option. Of course, you could also wait a few quarters and see how the company's growth changes over time.

Foolish takeaway

The market has dipped quite a bit in the past couple weeks, giving investors an opportunity to jump into some high-flying stocks. I think Docebo and Dye & Durham are two companies that Canadians should watch now. They are quite a ways down from their respective all-time highs, but both continue to present very promising investment theses.

CATEGORY

1. Investing
2. Tech Stocks

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4. dye and durham
5. Editor's Choice
6. growth
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TICKERS GLOBAL

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

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