3 Recent IPOs That Could Make You Very Rich

Description

Investing early in the shares of the companies with strong fundamentals could help you outpace the broader markets and make you very rich. For instance, a $1,000 investment in **Shopify** stock in May 2015 is worth about $43,290, reflecting a return of 4,229%.

However, if you have missed investing in Shopify stock in its early stages, worry not, as a few recently listed **TSX** stocks have the potential to deliver a similar kind of outsized growth. Let's look at three such recent IPOs that could make you very rich.

Dye & Durham

Dye & Durham (TSX:DND) stock debuted on the Toronto Stock Exchange on July 17, 2020. The stock more than quadrupled from its IPO price of $7 and recorded a 52-week high of $28.68. The rally in Dye & Durham stock came on the back of its robust financial performance and strong growth prospects.

Dye & Durham's cloud-based software supports legal and business professionals by providing automated public records data. The company's services and offerings are in high demand, as reflected through its over 25,000 active client base, including blue-chip companies, financial institutions, and governments.

Besides the strength in its base business, Dye & Durham also benefits from its ability to accelerate growth through accretive acquisitions. Since 2013, Dye & Durham acquired 14 companies that helped in opening new growth avenues and supported its revenues and EBITDA.

However, Dye & Durham has corrected over 20% from its peak, reflecting the closure of the courthouses in Canada amid the COVID-19 pandemic weighed on its products and, in turn, its stock.

However, with the reopening of the economy and Dye & Durham's strong client and product base, its revenues and adjusted EBITDA are likely to recover fast, which could drive meaningful growth in its stock. The recent decline presents an excellent opportunity to own this high-growth stock to get rich.

Lightspeed POS

Listed on the TSX in March 2019, shares of **Lightspeed POS** (TSX:LSPD)(NYSE:LSPD) are a must in your portfolio. While its shares have more than tripled from the IPO price, it has rallied nearly 403% from its lows in March 2020.

Lightspeed is benefitting significantly from the migration of small- and medium-sized businesses from traditional payment methods to the omnichannel platform. The secular shift has created a long-term growth opportunity for the company, implying that the rally in its stock has only just begun.

While its payment solutions and e-commerce offerings are witnessing robust growth, expansion of its high-value product suite should help drive average revenue per user. Meanwhile, its addition of new customers, acquisition of ShopKeep, and expansion into newer geographies should bolster its growth further.

Docebo

Shares of the enterprise e-learning platform **Docebo** (TSX:DCBO), listed on the TSX in October 2019, have surged about 229% this year. The rally in its stock is backed by the continued momentum in its annual recurring revenues (ARR) and average contract value. Its ability to acquire new customers fast further supports the uptrend in its stock.

In the most recent quarter, Docebo's subscription revenues surged over 55%, while ARR jumped 54.5%. Docebo's average contract value increased by 24.6%, while its customer base grew to 2,046 from 1,651 in the year-ago period. As the company's growth accelerates, its operating expenses are stabilizing, which is encouraging and should help the company to near breakeven fast.

With a large addressable market, growing client base, and increasing demand for AI-based corporate e-learning and training, Docebo is likely to outpace the broader markets by a considerable margin and generate stellar returns for its investors.

CATEGORY

1. Coronavirus
2. Investing
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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:DCBO (Docebo Inc.)
3. TSX:DND (Dye & Durham Limited)
4. TSX:LSPD (Lightspeed Commerce)

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