



Millennials: 2 Expensive Growth Stocks Still Worth Buying

Description

Millennials have one of the greatest advantages when it comes to investing: time. The power of long-term compounding is as profound as it is difficult to fathom. Many Canadians likely underestimate the wealth-creating effects of a TFSA portfolio invested in the [common shares](#) of [wonderful businesses](#). In a prior piece, we did the math and determined that many millennials who keep at it with TFSA contributions and investments are not only millionaires in the making; they could be worth far more by the time they hit retirement age.

The longer the investment horizon, the more pronounced the effects of compounding will be. With taxes taken out of the equation, with a TFSA, millennials have a distinct edge that can help level the playing field with prior generations. There's no question that millennials have been dealt a brutal hand, having suffered through the 2008 Great Financial Crisis and 2020 COVID-19 Crisis early on in their careers. With disciplined investments in a TFSA, not all hope is lost on the cohort that's had more than their fair share of challenges.

Millennials should seek to take on more risk for more reward!

Millennials who've taken the self-guided investment route ought to be applauded, as delegating the task of managing wealth comes at a very hefty cost. By taking exorbitant portfolio management fees and taxes via investing in a TFSA, millennials can tilt not only retire by 60, but they could retire far sooner. To maximize the effects of long-term TFSA compounding, millennials should seek to take on more risk with growth stocks capable of greater long-term appreciation. Consider shares of early-stage growth companies such as **Kinaxis** ([TSX:KXS](#)) and **Docebo** ([TSX:DCBO](#)).

Kinaxis: Down but not out

Kinaxis is a software developer that provides solutions that help untangle the mess that is the supply chain. Amid the pandemic and partial lockdowns, vast supply/demand imbalances are the “new normal,” and such disruption calls for an increased demand in products that can help ease the pains involved with taming such a complicated beast.

The stock has been in a downward spiral for most of the month, retreating viciously following news of two effective vaccines that had the potential to end the pandemic as soon as next year. While Kinaxis is one of many stocks that has been a beneficiary of the pandemic, the loss of pandemic tailwinds, I believe, will be less pronounced. Why? The pandemic hasn't just caused a pull-forward in demand for its product; I believe the firm has experienced an acceleration to its business. With greater recognition among prospective clients, I think Kinaxis will rise out of this pandemic strong, even without pandemic tailwinds.

Docebo: A winner that keeps on winning

After a turbulent past few months, high-flying Learning Management System (LMS) software developer **Docebo** ([TSX:DCBO](#)) is back at it, surging to a new all-time high of \$60. The stock has appreciated an absurd 460% since its lows and March. Although the white-hot stock is ridiculously expensive, I still think millennial investors should get some skin in the game today, because I don't think the name is about to slow down anytime soon, even with the pandemic's end in sight.

Docebo won some impressive clients during the pandemic. With the work-from-anywhere movement likely to continue well after the pandemic ends, the demand, I believe, for LMS offerings will continue to be robust. The company is just starting to make a name for itself, and with a world of growth opportunities ahead of it, I'd say now is the time to pick up shares before they have a chance to get away.

Shares of Docebo trade at around 22 times sales at the time of writing. That's expensive! But it could easily get more expensive, given the firm's growth potential. Also, I have a feeling that Docebo's incredible win streak isn't about to end anytime soon. The early-stage growth stock is just getting started.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:KXS (Kinaxis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Investing
3. Tech Stocks

Date

2025/08/23

Date Created

2020/11/21

Author

joefrenette

default watermark

default watermark