2 Top Growth Stocks to Stash in Your TFSA for the Next Decade

Description

It's not a mystery why many Tax-Free Savings Account (TFSA) investors head south of the border for their growth stock fix. The big-league tech firms in Silicon Valley (think FAANG stocks) have no comparables in Canada, although I'm sure that some fellow Fool contributors are likely to disagree with me.

While the "next **Netflix** or **Tesla**" may not be on the **TSX Index**, there are magnificent growth stocks capable of carving out huge chunks of their relatively small but fast-growing target markets.

In this piece, we'll have a look at two of my favourite Canadian growth stocks in **Dye & Durham** (TSX:DND) and **Docebo** (TSX:DCBO)(NASDAQ:DCBO).

So, without further ado, let's have a look at the following growth gems to see which, if any, is worth taking a chance on at this most critical market crossroads.

A TFSA growth stock to buy and hold forever

Dye & Durham is probably the least risky name on this list. The stock is up over 250% since its relatively quiet, but very much Canadian Initial Public Offering (IPO) last summer. While DND is a newcomer on the **TSX**, it's important to note that the firm has been in business for a ridiculously long time. For those unfamiliar with the firm, it's a cloud-harnessing software developer with its crosshairs on the legal and business space.

Like most other value-adding cloud stocks that aim to boost productivity and efficiency, Dye & Durham has a hefty price tag (20 times book value). But it's one that I think is worth paying up for before the firm has a chance to gain the attention of our investor friends south of the border.

Dye has had tremendous success with M&A over the years. Its most recent acquisition of GlobalX Information gives the company a front-row seat to the Australian market — a deal that sent shares of DND surging over 7% in a day. While DND stock is hot, after having bounced 10% last week, it's worth nibbling on for TFSA investors looking for above-average growth over the long-term. I'm a fan of the growth story and the niche market that DND has carved out for itself.

DND is a buy, but only if you’re willing to buy more shares on weakness.

A COVID-resilient tech titan in the making

Docebo is another niche tech titan in the making that deserves the attention of growth-focused TFSA investors. The provider of Learning Management Solutions (LMS) is a great way to capitalize on the e-learning trend, which, I believe, isn’t going anywhere, even if the pandemic were to end sometime soon. Like it or not, the work-from-anywhere shift is sticking around, which makes Docebo and its incredible AI-leveraging platform on the right side of a profound secular trend that could last many years.

The stock has been white-hot but has recently corrected, shedding 25% of its value from peak to trough. I think the dip is a buyable one, but please don’t buy into a full position at once. Docebo is absurdly volatile and is vulnerable to a tech-driven pullback.

While it’s a great company, TFSA investors ought to be mindful of the stretched valuation. The stock trades at 32 times sales, which is still a tad on the frothy side. Regardless, I don’t think it’s a bad idea to get a bit of skin in the game, as the firm continues to build on its 2020 strength.

CATEGORY

1. Investing
2. Stocks for Beginners
3. Tech Stocks

TICKERS GLOBAL

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

PARTNER-FEEDS

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

Category

1. Investing
2. Stocks for Beginners
3. Tech Stocks

Date
2025/08/26

Date Created
2021/02/10
Author
joefrenette