



## 2 Top Growth Stocks I Bet Will Massively Outperform the TSX in 2021

### Description

It paid to chase momentum growth stocks and neglect value in 2020. With the page turned on the brutal year, one shouldn't expect such a strategy to continue paying handsome dividends.

Many of the hottest growth stocks have been bid up significantly. And while I don't think we're due for a growth-to-value rotation (every such rotation has been very short-lived thus far), I do think one should take a page out of Warren Buffett's playbook by paying close attention to the price paid for the value received.

As the great Buffett once said, all investing *is* value investing in that you seek to get more than the price you'll pay.

### A top Canadian growth stock that could command a much higher premium

In this piece, we'll have a look at four growth stocks, which, while not cheap based on traditional valuation metrics, may [not be as expensive as they could be](#). When dealing with high-growth companies, one must put in even more due diligence, as momentum can be a double-edged sword that can reverse without a moment's notice.

Without further ado, consider sports-betting play **Score Media and Gaming** (TSX:SCR) and Canadian e-commerce kingpin **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

### TheScore: The Canadian DraftKings?

Score Media is better known for its sports media app TheScore. While the app is a terrific way to track sports teams and all the sort, it's TheScore Bet and its potential to take on the Canadian sports-betting market that has investors really excited about the white-hot growth stock.

Could TheScore be Canada's version of **DraftKings**, a \$24.5 billion company with a front-row seat to

the world of fantasy sports? Or is Score Media's growth story more than a fantasy itself?

I think TheScore is the real deal and that the growth stock could continue roaring higher over the next several years, as it goes after the Canadian daily sports-betting market that could be worth as much as US\$5.4 billion. With a market cap south of the \$2 billion mark, Score stock is a high-upside play that I think is worth nibbling on before it begins to attract the attention of our investor friends in the states.

## Shopify: Never bet against the king of SMB e-commerce

Shopify is the gift that keeps on giving. The growth stock has continued to defy the laws of gravity, and it'll probably continue doing so, as the horrific pandemic continues pressuring small- and medium-sized businesses (SMBs) to their breaking point. Shopify was viewed as a critical lifeline amid the pandemic, and once it ends, many clients who won during 2020 and 2021 will be sticking around, probably for life.

The e-commerce platform brings a lot to the table for SMBs. With Tobias Lütke, a man who I've previously referred to as a visionary founder, running the show, I wouldn't at all be surprised to see Shopify continue building upon its strength in the post-COVID world.

Never bet against Shopify, no matter how overvalued you think the growth stock is. Short-seller Andrew Left of Citron Research learned this the hard way, as SHOP stock continued roaring higher, squeezing those who dared bet against it.

## Better growth stock to buy?

Both names are as risky as they are growthy. That said, I expect both to continue putting the **TSX Index** to shame in 2021.

If you're hungry and seek a [growth stock for the ages](#), Score Media and Gaming looks to be the better buy, by far. The emerging sports-betting market that lies ahead of the firm is just too good. I'm a huge fan of the firm's development capabilities and would be willing to bet Score would be able to capture the lion's share of what could be a US\$5.4 billion market.

### CATEGORY

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### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

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