



## 3 Growth Stocks to Buy for April 2021

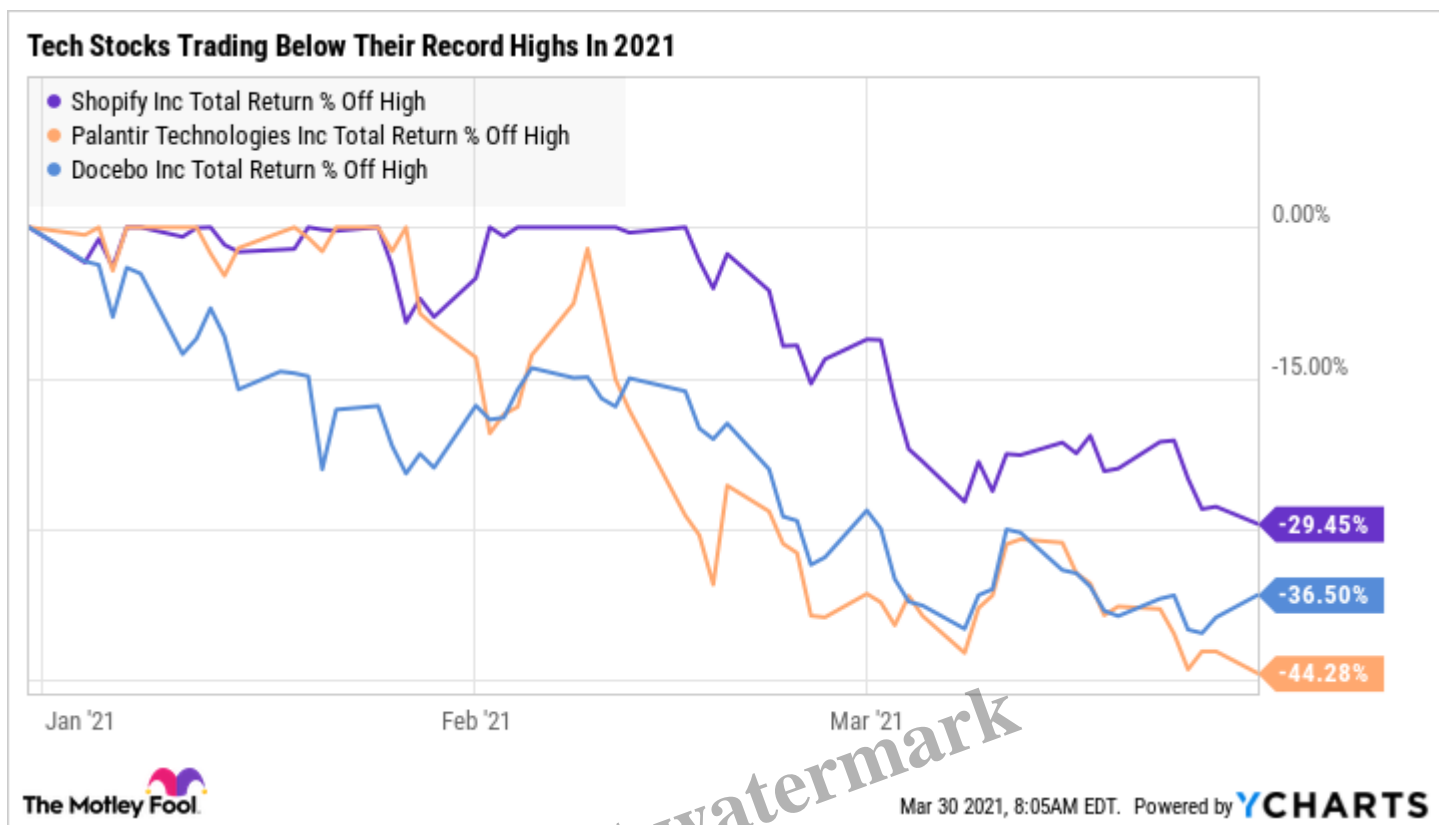
### Description

The tech-heavy NASDAQ is currently trading 7.4% below its record highs. In the last month, the index entered correction territory due to a sell-off in tech stocks. Investors were worried about steep valuations of companies in the tech space as well as rising bond yields that resulted in market volatility since the end of February.

This sell-off must be viewed as a buying opportunity, as it allows you to purchase [quality growth stocks](#) at a lower valuation. We'll take a look at three such stocks that growth investors should consider right now.

### Shopify

Shares of e-commerce heavyweight **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) are trading 30% below its record high. Shopify is Canada's largest company in terms of market cap and has returned astonishing 3,950% since its IPO almost six years back. This means an investment of \$1,000 in Shopify stock soon after it went public would be worth over \$40,000 today.



SHOP Total Return Level data by YCharts.

As people were confined to their homes for most of 2020, the shift towards online shopping accelerated allowing Shopify to almost double its sales in a pandemic-hit year. While Shopify's top-line growth is set to decelerate in 2021, Wall Street still expects revenue to rise by 39.4% to US\$4.1 billion in 2021 and by 30.2% to US\$5.32 billion in 2022.

The e-commerce segment is a rapidly expanding market, which means Shopify is well poised to benefit from multiple secular tailwinds. This will also allow the company to improve its bottom line over the upcoming decade.

Despite a 0.30% dip in earnings for 2021, analysts expect Shopify to increase adjusted EPS at an annual rate of 38% in the next five years.

## Palantir

Shares of **Palantir** ([NYSE:PLTR](#)) have lost over 44% in market value in the last month and a half. This company [builds and deploys software platforms](#) for enterprises in the United States. It has an enviable base of clients that include government organizations in the defence and intelligence space.

Palantir's platform allows users to identify platforms that are part of a large dataset. It also allows operators to plan and execute real-world responses to threats identified on these platforms.

In Q4 of 2020, the company reported sales of US\$322 million and adjusted earnings of US\$0.06 per share. Comparatively, Wall Street forecast Palantir to report revenue of US\$300 million and earnings of US\$0.02 in Q4.

Palantir closed 21 deals that will generate US\$5 million and 12 contracts that will generate US\$10 million on an annual basis in Q4. It also emphasized that government contracts accounted for US\$190 million in sales or 59% of total revenue in the last quarter.

In 2020, Palantir increased sales by 47% year over year to US\$1.1 billion and forecasts top-line growth to be at least 30% this year. It also expects to touch US\$4 billion in annual sales by 2025.

## Docebo

**Docebo** ([TSX:DCBO](#))(NYSE:DCBO) stock is trading 36.5% below its record high. The company provides a cloud-based e-learning platform to track internal and external workforces, partners and customers in North America, Europe, and Asia-Pacific.

The COVID-19 pandemic accelerated a long-term trend towards the adoption of enterprise facing digital learning tools. In Q4, Docebo's sales were up 53% year over year at \$18.8 million. Its subscription sales were \$16.7 million, indicating a year-over-year growth of 49% and accounting for 89% of total sales.

In 2021, analysts expect Docebo to grow sales by 48% to \$93.2 million and by 35.6% to \$126.4 million in 2022. Analysts also have a 12-month average target price of \$62.63 for DCBO stock indicating an upside potential of 19% from current levels.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:PLTR (Palantir Technologies Inc.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:DCBO (Docebo Inc.)
5. TSX:SHOP (Shopify Inc.)

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