



2 Growth Stocks I'm Buying Before Air Canada (TSX:AC)

Description

Prior to the COVID-19 market crash, not many investors would have considered **Air Canada** ([TSX:AC](#)) a growth stock. But after tanking 70% in barely over a month last year, the airline stock has come roaring with growth numbers that many high-growth [tech stocks](#) could not match.

After bottoming out in late March 2020, Air Canada has been on an impressive bull run. The stock has just about doubled over the past 12 months. But even with that growth, Air Canada stock is still trading about 50% below all-time highs.

I'm not completely bearish on Air Canada stock, I just think Canadian investors have better options on the **TSX** if they're looking for growth. Air Canada might be trading at a bargain compared to some other [high-growth stocks](#), but there's a trade-off there. I think there is still a lot of uncertainty in the future of air travel, which is why I'm not investing in Air Canada today. Instead, I've got my eye on two other growing industries in the tech sector.

Docebo

Shares of the tech company, **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)), have done almost nothing but go up since the company joined the TSX. In less than two years of being a public company, the tech stock has delivered growth of more than 200% to its shareholders.

Shares of the growth stock surged throughout the pandemic as it saw a massive lift in demand for its products. The company's cloud-based training platforms are used by its customers across the globe for training employees both in-house and virtually. So with the rise in remote work over the past year, it shouldn't come as a surprise to hear that the growth potential for this tech stock is sky-high.

Rapid growth and a global footprint are what all [growth investors](#) want to hear, but it doesn't come cheap. Docebo stock trades at a lofty price-to-sales (P/S) ratio of 25 today.

The good news is that the tech stock is trading at a rare discount right now. Docebo has been on a skid since the beginning of 2021, as have many other high-growth tech stocks. Shares of Docebo are now trading more than 30% below all-time highs from earlier this year.

Shopify

There haven't been many better-performing stocks on the TSX over the past five years than **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). The tech company has seen its share price soar more than 3,000% since early 2016.

As a shareholder today, I'm not expecting growth anywhere near close to that over the next five years. At a market cap of \$160 billion, growth investors will need to temper their expectations for how quickly Shopify can continue to grow.

But does that mean I think Shopify isn't worth paying a premium for? Absolutely not. Even at an incredibly rich valuation of a P/S ratio of more than 50, I'm comfortable adding to my position.

Shopify ended its 2020 fiscal year with back-to-back quarters of delivering near-100% growth in revenue. The increase in online consumption driven by the pandemic certainly did attribute to that monster growth, so it's only natural to see a bit of a sell-off today as the country is planning its reopening.

Just like Docebo, Shopify stock is trading at a very opportunistic discount. The growth stock is trading down about 25% from all-time highs set earlier this year.

If you were waiting for an opportunity to start a position in a notoriously expensive stock, now would be the time. Shopify stock has never been considered an affordable investment. So if you have been waiting for that perfect entry price, you likely have already missed out plenty of gains.

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2. Tech Stocks

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TICKERS GLOBAL

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:DCBO (Docebo Inc.)
4. TSX:SHOP (Shopify Inc.)

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