



Here Are 3 of the Best Stocks to Buy Today

Description

Buying growth stocks can be tough. There are many companies that have short stretches where it seems like they could really take off, only to falter in the long run. However, a few companies do manage to sustain high growth rates, which bodes well for the company's potential stock appreciation. Finding the contenders among the many pretenders is a skill that all growth investors should develop over time. In this article, I will discuss three growth stocks that are among the best stocks to buy today.

This is the top growth stock in Canada

There's no other place to start than with the very best. In Canada, no other company offers a low-risk, high-reward investment like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). This company enables merchants from all over the world to operate online stores. As of February 2021, there are more than 1.7 million businesses from 175 countries using Shopify's platform. Among them are large companies like **Heinz**, **Gymshark**, and **Staples**.

In April, Shopify reported that its Q1 2021 revenue was US\$988.6 million, up from US\$470 million the year prior. This represents a year-over-year increase of 110% and signifies continued strength as the world exists the pandemic. It's said that it takes the average person about two months to build a habit. With most of the world being forced to adopt online shopping for over a year, it's safe to say online shopping is here to stay. Shopify is already at a market cap of \$180 billion, but this is still just the start of its growth story.

E-commerce growth rates aren't a fluke

If you're still skeptical about the ability of e-commerce companies to sustain these incredible growth rates, take a look at **Goodfood Market** ([TSX:FOOD](#)). The company has been able to grow at a rapid rate for many years, and it seems like its growth is only accelerating. In 2016, the company managed to bring in \$2.8 million in revenue. Over the past 12 months, Goodfood's total revenue was more than \$362 million.

Goodfood has also become more profitable as the company has scaled. This is a very important aspect to consider in growth stocks, as it shows very strong operating leverage. Over the past two years, the company has sustained a gross margin greater than 30%. This compares to gross margins of 9.5%, 18.1%, 20.8%, and 25% from 2016 to 2019, respectively. Before the pandemic, Goodfood estimated that the Canadian online grocery market was \$1.5 billion. Today, the company [estimates a market size](#) of \$3.5 billion. With already a 40% share of the Canadian meal kit market, this is good news for Goodfood.

Add this stock to your portfolio

From March till June last year, one of the [most popular stocks](#) among Canadian growth investors was **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)). However, since then, many investors have decided to stay away from the company. It's unclear whether that's because investors have gotten bored with the company or if they have gotten distracted by exterior forces. What's certain is that the lack of enthusiasm in this company isn't due to a slowing growth rate.

In its earnings presentation last week, Lightspeed reported that its total revenue had increased 127% year over year. Since 2019, the company's total customer locations have increased by a compound annual growth rate of 56%. Its annual revenue per user has also increased 48% year over year. These are all signs of a very strong company and should convince investors to at least give Lightspeed another look. This is a top-tier growth stock.

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