



3 High-Growth TSX Stocks With +100% Revenue Growth

Description

While rising inflation fears have put brakes on high-growth stocks, their record revenue growth paints quite a different picture. Here are top three TSX stocks that showcased above 100% revenue growth in Q1 2021.

Shopify

Top tech giant **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) showed a record revenue growth of 110% year over year in Q1 2021, marking its best quarter so far. That's way higher than its average revenue growth of 65% since 2017. Undoubtedly, the pandemic played as a catalyst driving merchants to its platform to enhance their digital presence.

Notably, I don't see a significant fall in Shopify's revenue growth post-pandemic. Even if people move back to brick-and-mortar stores, merchants will likely continue to focus on reaching out to their customers digitally. The supporting e-commerce growth driven by merchant base expansion and healthy product portfolio should fuel Shopify's superior top-line growth.

SHOP stock has fallen almost 20% since February. Even after the correction, it is still trading at a price-to-sales ratio of 53 and price-to-earnings ratio of 115. Though the stock looks way overvalued from a conventional valuation perspective, its [superior growth potential](#) and a large addressable market make its premium seem justified.

Lightspeed POS

The omnichannel commerce platform provider **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is another fast-growing tech company. Though its stock has trading subdued for the last few months, the company is growing aggressively.

It reported handsome revenue growth of 127% year over year for the quarter ended on March 31, 2021. Apart from the superior top-line growth, it has been very active on the acquisitions front lately. It

announced the [acquisition](#) of Ecwid for US\$500 million and NuORDER for US\$475 million. Ecwid is a U.S.-based e-commerce platform, while NuORDER provides a platform for merchants to reach suppliers.

The company has been long focusing on merchants with services like payment processing and inventory management. However, Lightspeed now intends to expand in consumer and supplier solutions as well, which will notably boost its addressable market.

Lightspeed could continue growing with above-average revenue driven by both organic and inorganic growth. With US\$222 million in revenues in the last 12 months, LSPD stock trades around 50 times its sales and looks way expensive.

West Fraser Timber

The third one is not a tech stock but has notably beaten in terms of revenue growth by a wide margin. One of the biggest lumber producers **West Fraser Timber** ([TSX:WFG](#)) has managed to increase its revenues by a massive 163% year over year in the recent quarter.

West Fraser is a \$10.6 billion diversified wood products company and operates 60 facilities in Canada, the U.S., the U.K., and Europe. It produces lumber, MDF, plywood, wood chips, etc.

Along with cryptocurrencies and meme stocks, lumber has also been the hot spot in the markets this year. Since last year, the price of lumber has quadrupled, driven by the booming housing market and limited supply.

West Fraser stock was no exception, zooming to the \$111 level in April this year from close to \$27 levels last March. That's an astounding 310% growth in more than a year. It has recently come down to \$87 apiece. Lumber prices could significantly impact stocks like West Fraser. Note that the volatility and high correlation with lumber might keep conservative investors at bay.

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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)
5. TSX:WFG (West Fraser Timber Co. Ltd.)

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Date

2025/09/10

Date Created

2021/06/11

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