



3 TSX Growth Stocks to Buy in August 2021

Description

While the equity indexes continue to trade near record highs, investors might be worried about the steep valuations of high-growth tech stocks that driving the rally. However, investors should also note that it's impossible to time a market correction and waiting for a pullback makes little sense. It's better to follow the [dollar-cost averaging strategy](#) allowing you to take advantage of market highs and lows.

Keeping these factors in mind, let's take a look at three **TSX** [growth stocks](#) that should be on your radar for August 2021.

Shopify

The first company on my list is Canada's largest company in terms of market cap, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). This e-commerce heavyweight has been on an absolute tear ever since it went public in 2015 and has returned a monstrous 6,000% in the last six years. This means a \$500 investment in Shopify's initial public offering (IPO) would be worth over \$30,000 today.

Shopify increased its second-quarter sales by 57% year over year to US\$1.2 billion. Its subscription sales grew 70% to US\$334 million, while merchant solutions revenue grew 52% to US\$785 million. Its gross merchandise volume stood at US\$42.2 billion, indicating a year-over-year increase of 40%. Comparatively, gross payment volume also rose by a healthy 45% to US\$20.3 billion. Due to higher operating expenses, Shopify's operating income growth was comparatively lower at 16% totalling US\$236.8 million.

Lightspeed POS

One of the fastest-growing stocks on the TSX, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is up 515% since its IPO in early 2019. The company delivered stellar quarterly results last week and reported revenue of US\$116 million in the fiscal Q1 of 2022 ended in June. Its top-line grew by 220% year over year and approximately 92% of sales were recurring in nature. Comparatively, analysts forecast the company's sales at US\$92.4 million in Q1.

One of the key metrics for LSPD is its average revenue per user that rose 44% year over year to US\$230 in the June quarter. The fintech company is successfully expanding its customer base as well as generating higher revenue per customer driven by an increase in payments volume.

However, Lightspeed remains unprofitable as the company reported a net loss of US\$49.3 million in Q1. This was more than twice its loss of US\$20.1 million in the prior year period. Its adjusted loss stood at US\$6.9 million, accounting for 6% of total sales.

Docebo

A remote work enabler, **Docebo** ([TSX:DCBO](#))(NASDAQ:DOCEBO) is also one of the largest enterprise-facing e-learning platforms in the world. The company has a customer base of 2,300 at the end of Q1 including tech giants such as **Amazon Web Services**, **Hewlett Packard Enterprise**, and **Thomson Reuters**.

In the first quarter of 2021, its recurring sales were up 62% year over year while its gross margins stood at a healthy 82%. Docebo's total sales have in fact grown from just US\$17 million in 2016 to US\$63 million in 2020. It also reported a positive cash flow for the first time last year.

A research report has forecast the LMS or learning management solutions vertical to grow at an annual rate of 21% to \$30 billion by 2025, giving Docebo enough room to expand its top-line that has generated \$71.1 million in sales in the last 12 months.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:DCBO (Docebo Inc.)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:SHOP (Shopify Inc.)

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