



1 Top TSX Growth Stock to Buy in October 2021

Description

[Looking for growth](#) right now? Aren't we all. However, finding a top-notch growth stock with the ability to grow into their valuation multiples – that's a harder ask.

Over the last several years, the **Toronto Stock Exchange** has seen the addition of some new and exciting growth stocks. A majority of these high-powered growth stocks have outperformed the broader market. In fact, in many respects, this rally has been a long time coming.

Let's take a look at three growth stocks with the potential to continue to outperform over the long run.

Shopify: A top Canadian growth stock

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) extends software tools and digital infrastructure through which businesses can build an e-commerce presence. These businesses can be of any size. The companies can manage both physical stores and online operations through this platform.

Last year, Shopify received the second-biggest share of the e-commerce market after **Amazon** and recorded 8.6% of retail e-commerce sales in the United States.

That's impressive.

Indeed, Shopify's reach is making this stock one that international investors are now marveling at. That's because Shopify caters to a wide customer base that exceeds 1.7 million businesses globally. The company has also constructed a community of 46,400 partners. It has created an ecosystem of 7,000 applications, helping extend the company's core abilities.

The capacity of this company's ecosystem in handling an array of use cases across sectors is allowing more merchants to sign up for its services. This growing client base, in turn, is making it highly attractive for app developers and partners.

The increase of omnichannel retail is a huge growth driver for this e-commerce player. Shopify is also

leveraging its partnerships with **Facebook** and TikTok to attract more entrepreneurs and merchants.

In 2020, Shopify's revenue soared by 86% and touched a valuation of \$2.9 billion. It again grew by 57% year over year to touch \$1 billion in the second quarter of this year. The company's revenue visibility is also improving. Accordingly, investors view Shopify as a growth stock with the ability to truly grow into its valuation right now.

Bottom line

Shopify's business model in and of itself provides growth potential, unlike most Canadian tech stocks. This company's unique exposure to the secular catalyst e-commerce provides is unlike any other stock traded on the TSX.

Like many other high-flying stocks, Shopify's valuation does provide concern for some investors. However, given this company's ability to blow away expectations each and every quarter, this is a growth stock investors have learned to stick with over the long term.

CATEGORY

1. Investing
2. Tech Stocks

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