



## The High-Growth Stock Every Portfolio Needs

### Description

High-growth stocks can be found in almost every corner of the market. Unfortunately, not all growth stocks can maintain better-than-market returns over the longer term. I say not all growth stocks, because there are some stellar picks that can offer incredible double-digit growth today that have the potential to continue for a decade or more. Finding a high-growth stock is hard, but [they do exist!](#)

### Here's that incredible growth stock

You can't talk about growth stocks and not mention **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) in some capacity. The e-commerce behemoth is one of the best long-term growth picks on the market, and for good reason, too.

By now, nearly everyone has heard of Shopify, but there are still some that are unaware of what exactly Shopify does. In short, Shopify's software enables businesses (both large and small), to set up an online storefront in a fraction of the time that more traditional methods require. The software ties into nearly every aspect of the business from inventory and social media to analytics and fulfillment.

It's no wonder why the company's namesake has even become a verb in some circles.

Turning to performance, prospective investors should note that Shopify storefronts are in use in over 170 countries around the world by over 1.7 million businesses. Those storefronts continue to generate billions in sales. As an example of that impact, let's look at one recent data point. Black Friday sales on the Shopify platform this year topped a record-breaking \$6.3 billion.

With that level of growth, some might even say that Shopify has amassed an [impressive defensive moat](#) around its niche offering.

### Shopify's results are stellar...

It's not just sales that are up. In the most recent quarter, Shopify saw revenue top \$1,123.7 million,

reflecting a solid 46% year-over-year improvement. Shopify's subscription business saw an equally impressive 37% year-over-year gain to \$336.2 million.

Overall, the company reported a gross profit of \$608.1 million in the quarter. In the same period last year, gross profit was a whopping 50% lower.

Despite that stellar performance, there's reason to believe that the incredible growth will continue for at least several more years.

## But should you buy a high-growth stock right now?

It's hard to argue the point that Shopify is an incredible growth stock that has seen superb growth over the years. That growth does have some questioning whether that level of growth can be sustained for much longer.

Yes — that growth will continue to slow over the next few years. It was bound to happen. That being said, we're still several years out from the point where Shopify's annual growth will leave the double-digit territory. Until then, prospective investors can and should seek out Shopify as part of a larger, well-diversified portfolio.

As a final incentive, prospective investors should note that Shopify is now trading at a discount. That (temporary) discount works out to be near 20% over the past month, making it a good time to buy this high-growth stock.

### CATEGORY

1. Investing
2. Tech Stocks

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1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

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