



## 3 Stocks That Could Accelerate Growth in 2022

### Description

Investors who focus on growth stocks tend to make a minor mistake: extrapolation. In other words, they pick a growth stock that *is* growing or *has been* growing quickly but neglect the future outlook.

For instance, e-commerce and online payment giants registered double-digit growth rates throughout the pandemic. But this growth isn't sustainable. The rate needs to drop to single digits soon. If you don't account for a gradual decline in growth you could overpay for a stock.

With that in mind, here are the three stocks that are actually accelerating their growth rates in the near term.

### Accelerating growth stock #1

Fashion accessories retailer **Artizia** ([TSX:ATZ](#)) has had an epic run. Over the past year, the stock is up 99%. The company benefit from a rebound in sales as the economy reopened. With more people going back to work and meeting outdoors, accessories are back in demand. That's clearly reflected in Aritzia's bottom line.

However, there are two reasons why this growth rate could continue in 2022. For one, the economic reopening is still ongoing. International travel, business travel, restaurants, and offices haven't fully reopened yet. If everything is open by the end of the year, Artizia's sales could climb higher.

Another factor driving growth: U.S. expansion. At the moment, Aritzia has 38 stores in the U.S. and 68 in Canada. In 2022, the company is doubling down on its expansion in the United States. Since the economy and consumer demand is stronger there, Aritzia's revenue could expand much faster with this strategy.

Keep an eye on this growth stock.

## Accelerating growth stock #2

**Dollarama** ([TSX:DOL](#)) is another stock with accelerating growth potential. For much of the past two years, Dollarama has seen steady growth. After all, it was designated as an essential business during the pandemic.

However, growth was subdued by a key factor: the global supply chain. To keep costs low, the discount retailer is heavily exposed to China's manufacturing base. The team has managed to keep shelves stacked during this supply chain crunch. When the bottlenecks ease, Dollarama's bottom line could improve.

Meanwhile, consumers could turn to discount retailers, as their savings dwindle because of inflation. That's another tailwind for Dollarama in 2022.

## Accelerating growth stock #3

**Topicus** ([TSXV:TOI](#)) is the last growth stock on this list. Like its former parent company, Topicus is focused on expansion through acquisitions. However, the valuation of niche software and tech companies in Europe has been declining in recent months. As tech investors remain gloomy, Topicus could see better opportunities for acquisition deals.

Attractive prices for deals completed today should accelerate the returns for Topicus in years ahead. Meanwhile, the company is already seeing revenue and earnings accelerate. In its latest quarterly report, revenue was up 51% while free cash flow available to shareholders rose by 33%. Those growth numbers are better than previous quarters, which indicates that the Topicus strategy is ready for liftoff.

Keep an eye on this accelerating growth stock.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)
2. TSX:DOL (Dollarama Inc.)
3. TSXV:TOI (Topicus.Com Inc.)

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