



## 2 Top Growth Stocks That Could Regain Momentum

### Description

In recent years, many investors have placed a majority of their portfolio in [growth](#) stocks. And for good reason. These high-growth companies have vastly outperformed the overall market. Easy monetary policy and a surge in capital looking for a home made it so.

However, with the market de-risking ahead of interest rate hikes, this thesis may be under pressure. Investors are now focused on valuations more than ever. For high-growth stocks with high multiples, this hasn't been a good thing.

That said, this recent valuation compression may provide a unique buying opportunity for long-term investors. Let's dive into why **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Boyd Group** ([TSX:BYD](#)) may be able to regain some momentum, should the market pivot from its current stance.

### Top growth stocks: Shopify

Shopify is a top Canadian growth stock on most investors' list. This company provides an e-commerce platform to small and midsize businesses. The company has two segments: merchant solutions and subscription solutions.

Merchant solutions refer to add-on products for the platform, which facilitate e-commerce. These include Shopify Capital, Shopify Payments, and Shopify Shipping. Additionally, various subscription solutions enable Shopify merchants to conduct e-commerce on several platforms, such as pop-up stores, the organization's website, social networks, physical stores, and kiosks.

Shareholders of Shopify may be extremely concerned regarding the +60% plunge in share price in the previous quarter. However, it is worth noting that this stock has provided superb returns over the longer term. Those looking for a way to play a resurgence in investor interest in growth stocks may want to consider Shopify at these levels.

## Boyd Group

Boyd Group is an interesting stock to consider. That's because this company's business model is different from the typical tech business most investors may be used to.

This company provides auto glass and auto body repair services at its portfolio of facilities situated across Canada and the United States. This company is one of the biggest retailers of auto glass in the U.S. and extends repair services to its customers both on the roadside and at its workshop facilities. A massive majority of this company's revenue comes from its activities in the U.S.

Boyd recently posted Q4 and full-year 2021 results for the period ended Dec. 31, 2021. This company's sales rose by 19.9% from \$1.6 billion in the same period of 2020 to \$1.9 billion. Also, same-store sales saw a 7% increase.

Financial results in the first half of 2021 displayed steady improvement, with demand for services beginning to recover from the pandemic. Further, in November 2021, the company increased quarterly dividends by 2.1%. This brought dividends from an annualized amount of \$0.56 per share to \$0.58 for every share. It also added 127 new locations, which includes 16 intake centres, 10 start-up locations, and 101 acquisition locations.

Overall, both Shopify and Boyd stand to benefit from increased interest in growth stocks from here. Those bullish on a recovery trade may want to look at these stocks, which are well off their peaks right now.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:BYD (Boyd Group Income Fund)
3. TSX:SHOP (Shopify Inc.)

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