



3 Essential Growth Stocks for Your Portfolio

Description

As a growth investor, I spend a lot of time thinking about which [growth stocks](#) could be foundational positions in a portfolio. Generally, I look for stocks that have a strong branding, whether the company is leading an important industry, recurring revenues, and a strong leadership team. In my opinion, those are the key factors to consider when investing in growth stocks. In this article, I'll discuss three essential growth stocks for your portfolio.

Stock #1: Shopify

The e-commerce industry has increased its penetration of the global retail industry tremendously over the past couple of years. From 2019 to 2021, the size of the e-commerce industry grew at a CAGR of 21%. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) played a large role in that, providing merchants of all sizes with a platform and all the tools necessary to operate online stores.

Although the bulk of its business surrounds smaller merchants, Shopify does attract some of the largest companies in the world to its platform as well. Last year, **Netflix** made headlines when it [opened its online store](#) using Shopify's platform.

Shopify holds the second-largest share of the American ecommerce market — only behind **Amazon**. Although its growth rate has slowed down since the start of the COVID-19 pandemic, the company is still growing at an impressive rate. In 2021, the company reported a 57% year-over-year increase in revenue compared to its record-breaking revenues in the year prior.

Stock #2: Docebo

With many enterprises still choosing to work remotely, managers have had to find a way to accommodate employee training. That's where **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) comes in. The company provides an AI-powered and cloud-based eLearning platform to enterprises. Using its platform, managers can assign, monitor, and modify training programs more easily.

As of its latest earnings report, nearly 3,000 customers rely on Docebo's platform. Some of these customers include the likes of Amazon, **Thomson Reuters**, **BMW**, and more. The fact that some of the world's largest enterprises have chosen Docebo speaks volumes to the company's value. With 91% of its revenue coming from recurring sources, Docebo should be very attractive to growth investors.

Stock #3: Topicus.com

Topicus.com ([TSXV:TOI](#)) may not be a company that most investors are familiar with. However, I believe it's one that should be a cornerstone position in your portfolio. Focusing on the highly fragmented European tech industry, Topicus is an acquirer of vertical market software businesses. One of the keys to its success is whether it can follow the playbook and advice of **Constellation Software**, its former parent company.

Topicus is in a unique position because it has a clear path to success and a very experienced team helping guide it along its way. Six members of Topicus's board of directors are executives from Constellation Software. It's difficult to assume that any company can replicate the success that Constellation Software has seen in the public markets. However, if there's one company that has a real chance of doing that, it'd be Topicus.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DCBO (Docebo Inc.)
4. TSX:SHOP (Shopify Inc.)
5. TSXV:TOI (Topicus.Com Inc.)

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