



3 Growth Stocks That Could Be Huge Winners in the Next Decade and Beyond

Description

Picking quality stocks and holding them for the long term is a proven way to generate long-term wealth. Whether it's value or growth stocks investors focus on, over a long enough time horizon, investing tends to pay off handsomely.

This past decade has certainly been more fruitful for [growth investors](#). And while valuations are down in the growth camp (significantly), at these lower levels, an argument can be made that a much more attractive setup for long-term returns exists.

For those looking to amplify exposure to growth names, here are three top TSX growth stocks to consider right now.

Top growth stocks: Constellation Software

Constellation Software ([TSX:CSU](#)) is a great example of a company with solid growth fundamentals. This is a company that's grown at a relatively consistent rate over a very long period of time. Indeed, over the past five years, CSU stock is up approximately 200%. And that's following the impressive decline we've seen of late.

In terms of shareholder return, Constellation is a winner. This company is an aggregator of a very fragmented software sector. Via synergistic acquisitions, Constellation has found a way to improve the returns on its investments for shareholders, growing cash flows at a faster rate than the market. Over time, this is a strategy that appears to have significant runway, making this a top pick of mine among Canadian growth stocks.

Shopify

Any list of top TSX growth stocks is incomplete without **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Like Constellation, Shopify is still up significantly over the past five years, despite a very harsh recent

downturn. That said, at these lower levels, SHOP stock is starting to look very attractive. The company's valuation multiple, which is still high, has come down considerably from its peak. Thus, those looking five or 10 years down the road may get a much better ROI investing in this name today.

The company's software-as-a-service model is intriguing, as is the company's e-commerce platform aimed at small- and medium-sized businesses. Over time, this segment of the market is poised to grow at an above-market rate. Those who believe in the long-term growth prospects of e-commerce may want to take a hard look at Shopify at these beaten-down levels.

Canopy Growth

Finally, we have major Canadian cannabis player **Canopy Growth** ([TSX:WEED](#))([NASDAQ:CGC](#)).

Canopy Growth has been out of the limelight of late, given a lack of interest in cannabis producers for some time. Following Canadian legalization in 2017, this company saw incredible interest. Then, as the Biden Administration came in, and the Democrats won the House and Senate, expectations for legalization shot higher in 2020, leading to another bull run more than a year ago.

However, aside from legalization catalysts, cannabis producers haven't performed well. Earnings and revenues haven't grown to the extent many believed they would. Thus, this is a sector that many view as a hyped-up meme part of the market worth avoiding.

That said, at these lower levels, Canopy is starting to look attractive. This is a company that's now being valued on fundamentals. Thus, for fundamentals-oriented growth investors, Canopy may be worth a look here.

CATEGORY

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3. TSX:CSU (Constellation Software Inc.)
4. TSX:SHOP (Shopify Inc.)
5. TSX:WEED (Canopy Growth)

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Date

2025/07/20

Date Created

2022/08/07

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chrismacdona1d

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