



2 Stocks That Could Grow Your Portfolio Over the Next Decade

Description

If you're interested in obtaining market-beating growth over the next decade, then it's essential that you focus on [growth stocks](#). Many growth investors suggest adding [small-cap stocks](#) to your portfolio. However, I believe it's more important to look for companies that operate businesses that provide them with the potential to continue growing over the coming years.

In this article, I'll discuss two **TSX** stocks that could grow your portfolio over the next decade.

Invest in the e-commerce industry

If there's one area in the market that excites me today, it's the e-commerce industry. Although many consumers in North America and Europe rely on online shopping today, its penetration of the global retail industry is still very low. In the first quarter (Q1) 2021, e-commerce sales only represented about 13% of all retail sales in the United States. In addition, online sales accounted for about 27% of all retail sales in the United Kingdom in August 2021.

As consumers continue to shift towards online shopping, companies that provide e-commerce services could see major growth. Because of that, I remain very bullish on **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). This company provides merchants with a platform and many of the tools necessary to operate online stores. It primarily makes revenue via a subscription-based business model and by taking a percentage of all sales processed through its platform. These recurring sales provide Shopify with a predictable source of revenue.

[Over the past five years](#), Shopify's monthly recurring revenue (MRR) has grown at a compound annual growth rate of 35%. Over that period, the company never reported a decrease in its MRR. Considering that consumer spending is down this year, it's very impressive that Shopify has been able to continue reporting growth in its financials. I believe that once consumer spending picks up again, the company could report even more impressive growth.

Buy this mid-cap stock

Although I don't tend to dive into small-cap stocks very often, I do find mid-cap stocks very appealing. These companies are larger than small-cap stocks but still offer investors with the potential to see massive growth. Of all the mid-cap stocks trading on the TSX, my top pick has long been **Topicus.com** ([TSXV:TOI](#)). This company is an acquirer of vertical market software businesses. What interests me about Topicus is its close ties to **Constellation Software**, a very successful Canadian tech stock.

For those that are unfamiliar, six members of Topicus's board of directors are executives from Constellation Software. This includes Constellation's founder and president, Mark Leonard. If Topicus can lean on that massive wealth of experience, it has the opportunity to avoid many of the mistakes that younger companies make. In the long run, that could accelerate its growth.

In 2022 alone, Topicus has already managed to acquire more than 20 businesses. This shows that the company is committed to following an aggressive growth strategy. I think of this stock as an opportunity to roll back the clock on Constellation Software stock, since Topicus finds itself in a similar spot to Constellation Software over a decade ago. Time will tell whether Topicus will be able to replicate Constellation's outstanding growth. However, it certainly seems to be on the right track.

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2. Tech Stocks

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2. TSX:SHOP (Shopify Inc.)
3. TSXV:TOI (Topicus.Com Inc.)

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