



5 Growth Stocks You'll Want to Own Before the Next Market Rally

Description

One way to earn life-changing wealth in the equity market is by investing in quality growth stocks. The majority of growth stocks have been routed in the first 11 months of 2022, allowing investors to buy the dip.

The current environment, though challenging, is the perfect time to invest in companies with strong fundamentals, as it's impossible to time the market bottom. Given these factors, let's take a look at five [tech stocks](#) you should own before the next market rally begins.

Shopify

Shares of **Shopify** ([TSX:SHOP](#)) are down 76% from all-time highs, wiping off massive investor wealth in 2022. Investors are worried about the decelerating revenue growth and widening losses of the Canadian e-commerce company, driving SHOP stock lower year to date.

Shopify's sales grew by 22% year over year in the third quarter (Q3) to US\$1.4 billion compared to its year-ago growth of 46%. But Shopify continues to expand its suite of products and services, unlocking additional revenue streams in the process.

Shopify has onboarded two million merchants on its platform, and this number should move higher, as the company looks to expand in other international markets.

DocuSign

DocuSign ([NASDAQ:DOCU](#)) was one of the top performers in 2020, as COVID-19 increased demand for its products at an accelerated pace. It increased revenue by 49% in fiscal 2021 and 45% in fiscal 2022 (ended in January), pushing DOCU stock price to an all-time high of US\$310. Right now, shares of the digital signature company are trading 86% below all-time highs.

DocuSign has forecast its total addressable market at US\$50 billion, providing it with enough room to

expand its top line in the future. Valued at a [market cap](#) of US\$8.8 billion, DOCU stock is priced at 3.4 times forward sales, which is quite reasonable.

Shares of DocuSign are trading at a discount of more than 50% compared to Wall Street estimates.

Snowflake

One of the fastest-growing SaaS (software-as-a-service) companies in the world, **Snowflake** ([NYSE:SNOW](#)) stock is down 65% from record highs. Operating in the data analytics vertical, Snowflake increased revenue in Q3 of fiscal 2023 (ended in October) by 67% year over year to US\$557 million. Its adjusted earnings per share more than tripled to US\$0.12 per share.

The company ended the quarter with a remaining performance obligation that surged 66% to US\$3 billion. Its customer base also grew 34% to 7,292, while the net revenue retention rate stood at 165%. So, existing customers increased spending on the Snowflake platform by 65% in the last year.

Green Thumb Industries

One of the largest cannabis producers globally, **Green Thumb Industries** ([CNSX:GTII](#)) should be on the shopping list of growth investors. The United States is the largest marijuana market in the world, and Green Thumb has a presence in 15 states south of the border.

Green Thumb's leadership position will allow the company to surpass US\$1 billion in annual sales in 2022. Six years back, its sales stood at less than US\$10 million, showcasing Green Thumb's ability to drive revenue through a combination of organic and acquisitional growth.

Docebo

The final growth stock on my list is **Docebo** ([TSX:DCBO](#)), a Canada-based SaaS company that provides enterprise-facing e-learning solutions. Docebo's software solutions include a robust learning management system allowing organizations to better train and educate their workforce.

Docebo's expanding customer base has translated to revenue growth as sales increased from \$35 million in 2018 to \$139 million in 2021. Analysts expect Docebo to report revenue of \$195 million in 2022 and \$252 million in 2023.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. CNSX:GTII (Green Thumb Industries)
2. NASDAQ:DOCU (DocuSign)
3. NYSE:SNOW (Snowflake Inc.)
4. TSX:DCBO (Docebo Inc.)

5. TSX:SHOP (Shopify Inc.)

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