2 Growth Stocks I'd Buy Right Now Without Any Hesitation

Description

Growth stocks are very popular among younger investors because of their potential to generate massive returns. However, these stocks can be very risky. This is because growth stocks tend to be younger and newer companies, compared to blue-chip stocks. That could result in greater volatility — something that many investors may not be able to stomach. However, I think holding a few growth stocks in your portfolio could be a great idea.

In this article, I'll discuss two growth stocks I'd buy right now without any hesitation.

This is my favourite growth stock

If I could only buy one growth stock for my portfolio, it would be **Shopify** (TSX:SHOP). This company's first few years on the TSX were remarkable. From May 2015 to November 2021, Shopify stock gained more than 6,000%! Unfortunately, it has since fallen about 80% lower than its all-time highs. This has caused many investors to wonder if it's time to ditch the stock.

Looking at its latest earnings report, investors should note that the company remains very strong. Shopify reported a 22% year-over-year increase in its third-quarter (Q3) revenue. That suggests that consumers are continuing to turn towards online shopping, despite the tough economic conditions present today. It should be noted that Shopify's monthly recurring revenue, which it relies on heavily, has grown at a compound annual growth rate (CAGR) of 32% over the past five years.

Beyond the numbers, what interests me about Shopify is its strong enterprise partnership. Shopify's partnership with large enterprises allows its merchants to connect their stores to different platforms, such as: **Spotify**, YouTube, Facebook, and **Walmart**. This puts Shopify stores in front of as many consumers as possible, increasing sales potential.

A growth stock that defies expectations

The law of large numbers states that a company's growth rate should decrease as it increases in size. However, **Constellation Software** (TSX:CSU) has managed to continue generating growth at an impressive pace despite its large size. For those that are unfamiliar, this company acquires vertical market software (VMS) companies. It then provides the coaching and resources necessary to turn those acquisitions into exceptional business units.

For much of its history, Constellation Software has focused on small- and medium-sized businesses. However, in 2021, the company announced that it would finally start targeting large sized VMS businesses for acquisition. Unfortunately, since then, the economy hasn't been very strong. Because of this, it's very difficult to assess whether Constellation's decision to target large VMS businesses has been a good one.

If I had to guess, I'd say the company will eventually be able to seamlessly incorporate that new aspect of its business. Since its initial public offering, Constellation Software stock has gained more than 11,500%. That represents a CAGR of more than 33% over the past 16 years. Year to date, Constellation Software stock has dropped as much as 22%. Due to a 16% rally over the past month and a half, this stock sits about 9% lower than where it started the year. Don't miss out on a great sale in Constellation Software stock.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. jedlloren
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/09/29
Date Created
2022/12/28
Author
jedlloren