



2 Incredible Growth Stocks With a Bright Outlook for 2023

Description

Undoubtedly, most investors will never forget what 2022 brought upon the stock market. And while 2023 is looking much better in many respects, it's also clear that this year may also produce some unpredictable turns for investors in [growth stocks](#) and other economically sensitive areas.

One of the bullish catalysts many investors are paying attention to is historical performance. Generally speaking, the S&P Index has not seen back-to-back down years since 2001 and 2002. This index has generally delivered an annual return on average of 9% since 1996. Analysts predict that growth stocks can give some much-awaited performance once interest rates and inflation ease and earnings per share toughen. These two growth stocks can be your ideal investment choices in 2023.

Growth stocks with a bright outlook: Constellation Software

Constellation Software ([TSX:CSU](#)) had quite a brilliant year in 2022 with an exceptional move higher due to **Topicus**. As per Richard Tse, an analyst at National Bank Financial Markets, the acquisition and spin-out suggested by CSU are likely to continue to move the stock.

Constellation Software recently declared that Lumine Operating Group has signed a contract to acquire WideOrbit Inc. WideOrbit is a vertical market software provider worth \$490 million. This proposed move would turn WideOrbit into an entirely owned subsidiary of Lumine Group. However, Constellation suggested, simultaneous with the acquisition, a transaction to put Lumine into a separate publicly traded company could be on the horizon.

The deal will enable Constellation to issue a cash payment of US\$181 million and 13.83% of outstanding shares of Lumine Group to qualified WideOrbit shareholders.

For further conversation, Tse has also noticed Lumine had annual gross revenues of \$228 million in 2021 and WideOrbit had annual gross revenues of \$167 million. Tse predicted that this acquisition of WideOrbit suggests a 2.9 times enterprise value (EV)/sales multiple and a 10.9 times EV/earnings before interest, taxes, depreciation, and amortization multiple. As per Tse, this is a consistent and suitable move, at par with CSU's similar-sized assets.

Shopify

Shopify ([TSX:SHOP](#)) has made history with its "Black Friday Cyber Monday" record sale of \$7.5 billion in 2022. Even though its stock didn't end the year on a high note, the firm's recent moves imply a brighter future ahead in 2023.

For starters, Shopify has started cutting on meetings, just as it focused on cutting costs last year. Shopify has decided to limit its meetings to boost productivity. The firm says it is conducting a "Calendar Purge." It has decided to remove any recurring meetings with more than two people. Also, it is a big "no" for meetings on Wednesdays.

Apart from this, Shopify has launched its new enterprise retail software named Commerce Components by Shopify. This software will let retailers select which tool to use and connect to their desired backend functions. Also, **Mattel** will be the first user to utilize this service. Mattel plans to bring its whole brand portfolio under Shopify.

In September 2022, the firm launched POS Go, a software that helps merchants perform transactions anywhere, access customer history, and view product details. Each of these developments points to a bright outlook for Shopify, making this stock a compelling risk-on bet for 2023.

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. chrismacdonald
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/08/11

Date Created

2023/01/22

Author

chrismacdonald

default watermark

default watermark