



2 Top Stocks That Could Turn \$10,000 Into \$50,000 by 2030

Description

Growth stocks across multiple sectors plunged to multi-year lows in 2022. The S&P 500 index closed the last year in negative territory for the first time in four years. In fact, major indices reported their worst performance in 2022 since the financial crash of 2008.

However, investors should also understand it is pretty rare for the S&P 500 to report two consecutive years of declines. So, there is a good chance for growth stocks to gain momentum in the second half of 2023 once the macro environment improves.

Here, we look at two quality stocks that can generate exponential returns before the next bull market resumes.

A cloud-based tech stock

One of the hottest growing [tech stocks](#) on the planet, **Snowflake** ([NYSE:SNOW](#)) is also part of Warren Buffett's **Berkshire Hathaway** portfolio. The company offers a cloud-based data platform to its base of enterprise customers.

Due to the ongoing volatility in the equity markets, SNOW stock is currently trading 55% below all-time highs, valuing the company at a [market cap](#) of US\$57.2 billion.

At the end of the fiscal third quarter (Q3) of 2023 (ending in October), Snowflake reported RPOs, or remaining performance obligations, of US\$3 billion — an increase of 66% year over year. This metric provides investors with near-term revenue visibility of the company.

In Q4, Snowflake forecast its sales to increase by close to 50% year over year, which is quite exceptional. We can see Snowflake's robust portfolio of products and services allow it to rake in sales, despite lower enterprise spending in recent months.

Additionally, Snowflake bills its customers on the basis of usage, allowing the latter to monitor associated costs each month. With strong retention rates, Snowflake should benefit from increased

customer spending over time, as enterprises are bound to subscribe to a wide range of applications.

Snowflake expects to end fiscal 2029 with US\$10 billion in sales and report an adjusted free cash flow margin of 25%. In case Snowflake's sales touch US\$12 billion in fiscal 2030, its free cash flow will stand at US\$3 billion. So, for SNOW stock to gain 400%, its market cap will touch US\$286 billion, valuing the company at 23.8 times free cash flow, which is quite reasonable.

A cannabis giant

There is a good chance for [cannabis stocks](#) south of the border to gain pace if marijuana is legalized at the federal level. Right now, the consumption of pot is still illegal in a few states, making it difficult for cannabis producers to access traditional sources of capital at a low cost.

In the recent selloff, **Green Thumb Industries** ([CNSX:GTII](#)) has seen its market cap decline by close to 80% from all-time highs, valuing the company at \$2.6 billion.

Green Thumb is among the largest cannabis companies in the world. A profitable multi-state operator, Green Thumb has reported a positive net income for 10 consecutive quarters. In the last three quarters, its net income is up 20% year over year at US\$63.2 million, while sales grew by 17% to US\$758 million.

GTII is forecast to end 2025 with sales of US\$2 billion, while its adjusted earnings might expand by 18% annually in this period. So, at three times forward sales, GTII stock might surge 200% in the next three years.

But analysts remain bullish on the company and expect GTII shares to triple in the next 12 months.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. NYSE:SNOW (Snowflake Inc.)

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