



2 Top Growth Stocks to Buy and Hold Forever

Description

While growth investing can certainly be lucrative, it takes patience to be successful. This is because even the most promising young companies will encounter some obstacles in the early going.

However, if the investment thesis is true, then investors could see the gains they were hoping for. There are many outstanding growth stocks in the Canadian market. In this article, I will discuss my top two picks.

This company is a top stock, period

I have been very vocal about [my bullishness](#) on **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) throughout my time as a writer on The Motley Fool. Even though Shopify is now the [largest company in Canada](#) by market cap, I believe there's good reason to think the company hasn't come anywhere close to being as big as it could be.

Ecommerce has been slowly gaining traction over the past decade. In 2020, the industry saw a major leap in adoption due to the COVID-19 pandemic. However, online sales still only make up a very small portion of all retail sales.

In Canada, it's estimated that online sales account for only 10% of all retail sales. For comparison, online sales represent nearly 30% of all retail sales in the U.K.

In developing areas like Africa, this proportion is even lower. Therefore, as the e-commerce industry continues to penetrate more countries, companies like Shopify which aim to facilitate the switch to online retail could see massive gains.

Since its initial public offering (IPO), Shopify stock has gained about 5,500%, massively outpacing the broader market. These gains would be alarming if the company isn't able to show sustained growth rates in its revenue. However, Shopify has done just that.

From 2019 to 2020, its total annual revenue increased by 86%. In its 2021 Q1 earnings presentation,

Shopify reported a 110% year-over-year increase in its quarterly revenue. Shopify is a strong company with an equally impressive stock. It still has a long growth runway ahead.

Major tailwinds will power this stock

Another secular trend growth investors should take note of what's happening in the utility sector. Many businesses and countries are becoming more aware of the importance of renewable energy. Because of this, renewable energy utility companies have been seeing a lot more demand in recent years.

Of the companies operating in that space, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) stands out as a top pick.

The company is a global leader in the renewable energy space. It operates a diverse portfolio of assets capable of producing about 21,000 megawatts of power. Currently, much of its portfolio is composed of hydroelectric facilities; however, Brookfield Renewable has been working on acquiring and constructing other means of energy production.

The company aims to produce 12% to 15% annual returns to shareholders over the long term. Since its IPO, Brookfield Renewable has been able to exceed those targets, returning 19% on an annualized basis.

The company has also been able to raise its dividend by a compound annual growth rate of 6% over the past decade, making it a Canadian Dividend Aristocrat.

Foolish takeaway

Growth investors should focus on industries that are experiencing massive tailwinds. The e-commerce and renewable energy industries are great examples of this. For that reason, I believe Shopify and Brookfield Renewable Partners are two companies that growth investors should consider buying and holding for the long term.

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Author

jedlloren

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