



2 Must-Own Canadian Growth Stocks That Can Double Your Money

Description

Growth stocks lead the way last year in both the U.S. and Canadian stock markets. The American **S&P 500 Composite Index** was up 16% last year, versus a return of more than 40% from the tech-heavy **Nasdaq Composite** index.

Not even a global pandemic could slow the growth of many top tech companies in 2020. Investors saw a handful of tech stocks drive multi-bagger gains in the span of less than one year.

Valuations are getting pricey, I won't deny that. But I wouldn't let that stop investors from adding a couple of [high-growth companies](#) to their portfolios if they can stomach the risk and possess the appropriate time horizon. Growth stocks tend to have above-average levels of volatility, so you'll want to make sure you're able to hold on to any growth stock for at least five years.

If you're looking to add some growth to your portfolio, here are two companies to get you started. Both growth stocks were up more than 100% in 2020 and I'm betting that we'll see many more market-beating years for both companies.

Growth stock #1: Dye & Durham

Shares of **Dye & Durham** ([TSX:DND](#)) were up nearly 250% in 2020. What's even more impressive is that this growth stock only became public last July. It took less than six months for investors to earn a gain of almost 250%.

While the tech company doesn't operate in the most exciting market, its multi-bagger growth potential should more than help offset its mundane product offering.

The company's customers consist primarily of legal, financial, and government institutions. Dye & Durham's cloud-based software helps its customers by automating the process of accessing, searching, and storing public records.

If you're looking to own a company that has grown more than 200% in less than half a year, you'll need to pay a premium. Dye & Durham trades at a very lofty price-to-sales (P/S) ratio of 35 today.

Not only will investors need to pay a premium to own this growth stock, but they also need to be ready to expect a high level of volatility. It's been relatively smooth sailing for Dye & Durham shareholders since it joined the **TSX** last year. While this growth stock will continue to trend upwards, investors need to be prepared for a bumpy ride.

This growth stock is already a two-bagger since July 2020. If you're looking to double your money, this high-risk growth stock is a good bet to make.

Growth stock #2: Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) is another young publicly-traded company. The tech stock joined the **TSX** in March 2019. Since its IPO, shares of the growth stock are up more than 350%.

Lightspeed was once known mainly for its point-of-sale hardware it provided to brick-and-mortar retailers. Today, the growth stock offers its customers a robust cloud-based eco-system of products for both online and brick-and-mortar retailers. Additional product offerings include analytics and digital marketing, shipping and inventory management, and accounting software.

The constant product innovation is one of the main reasons the growth stock was up more than 100% in 2020. But another major reason for its market-beating growth has been its aggressive geographic expansion.

In Lightspeed's [most recent earnings report](#), the company reported a total of 115,000 customer locations — up from 80,000 in the previous quarter. The Montreal-headquartered company is in the process of building a strong international presence with customers across the globe.

At a P/S ratio of 60, shares of this growth stock are far from cheap. That being said, the growth potential here is massive. The company is involved in both online and brick-and-mortar shopping and is becoming more and more involved in almost all aspects of a small- to medium-sized business.

Foolish bottom line

Investing in a company with market-beating growth potential often does not come cheap. If you're looking to outperform the market, you'll need to take on some risk and volatility and pay a premium.

Dye & Durham and Lightspeed are two growth stocks that have crushed the market as of late. If you're willing to hold through the volatility and not sell for a minimum of five years, these are two growth stocks you should have at the top of your watch list right now.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

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3. dye and durham
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7. lightspeed
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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:DND (Dye & Durham Limited)
3. TSX:LSPD (Lightspeed Commerce)

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