



These 2 Canadian Tech Titans Could Be the Next Shopify (TSX:SHOP)!

Description

Kinaxis ([TSX:KXS](#)) and **Descartes Systems Group** ([TSX:DSG](#))([NASDAQ:DSGX](#)) are two promising mid-cap tech companies that could join the ranks of **Shopify** at some point over the next five years and beyond. Coincidentally, both companies create SaaS (software as a service) solutions aimed at improving supply chain management.

As you may know, SaaS is a booming field in the world of technology. If you're interested in investing in this hot field, both Descartes and Kinaxis have you covered, and, best of all, you won't need to swap out your loonies for greenbacks for a U.S. stock.

Descartes is a provider of SaaS logistics solutions aimed at enhancing business security, the supply chain, transportation, and logistics capabilities. The company has been active on the acquisition front, like so many other big-name SaaS players in the U.S.

Further, Descartes also deals with shipments moving across the border. As e-commerce continues to pick up traction, one can only expect cross-border shipments to surge, and Descartes will be a significant beneficiary. Cross-border shipments can be a real pain in the neck, and that's where Descartes shines.

Fellow Fool contributor Mat Litalien did a [good job](#) of describing the business in detail in his piece. The most promising takeaway was, Descartes Systems is poised to enjoy high double-digit CAGR numbers over the next five years (and possibly beyond).

Kinaxis is another SaaS firm in the supply chain management arena. The company saw its operating cash flows surge 23% year over year for the second quarter, and, like Descartes, Kinaxis is [just getting started](#). Kinaxis is a global player with a promising European segment that experienced explosive revenue growth numbers that put its Canadian business to shame. Moving forward, if Kinaxis can improve the results domestically, I have no doubt the stock could take off like a coiled spring.

Foolish takeaway

What's the next Shopify?

Both Kinaxis and Descartes are top contenders, and, of course, Shopify itself could still have plenty of room to run if you've got a long-term time horizon. If either Descartes or Kinaxis entices you, I'd stick with one name to avoid potential overlap. At these levels, I'd go with Descartes because it has a more robust operating cash flow stream.

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2. TSX:DSG (The Descartes Systems Group Inc)
3. TSX:KXS (Kinaxis Inc.)

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joefrenette

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