



3 Publicly Traded Canadian Companies Developing Next-Level AI

Description

In the tech industry, AI is the new gold rush. All of the Silicon Valley giants are working on AI-powered solutions to automate areas of their businesses, and the results are starting to show. From face recognition and automated cars to content moderation and ad pricing, machine learning is working its way into everything.

AI has become so important that it puts businesses *without it* at a competitive disadvantage. All of the companies in FAANG are investing billions into AI. Many smaller firms are investing hundreds of millions, and the potential rewards are massive. Tech companies that develop cutting edge AI faster than their rivals enjoy untouchable technical advantages, which can drive higher profit margins.

If you're looking to add some AI-powered returns to your portfolio, here are three Canadian companies on the forefront of the AI revolution.

Nexj Systems Inc ([TSX:NXJ](#))

Nexj Systems is a CRM company that uses AI to provide a disruptive customer experience. The company's clients include major players like **Wells Fargo**, **RBC** and **Credit Suisse**. Billed as "Intelligent Customer Management," the company's main offering provides actionable insights into customer behaviour so that users can respond in prescient ways. As a secondary feature, it also includes a conversational chatbot that can interact with customers. Analyst Blair Abernethy gave the stock a "speculative" target price of \$4.50—it trades for just \$1.50 today.

Shopify Inc ([TSX:SHOP](#))([NYSE:SHOP](#))

Shopify is perhaps Canada's best known tech company. What's not so well known is the fact that the company is leveraging AI to create better experiences for merchants and their customers. For example, it's exploring AI-powered recommendation algorithms to promote products to customers. Shopify is already growing revenue by [54% year over year](#) and rapidly increasing its diluted EPS. Adding AI-based recommendations into the mix could drive subscriber sales higher by increasing revenue per customer. As Shopify takes a small cut of every customer's sales, that translates into

more revenue for the company.

Kinaxis Inc ([TSX:KXS](#))

Kinaxis is a tech company that sells supply chain management software to large multinationals. The company had a great quarter in Q3, increasing subscriptions by 19%, revenue by 18%, and adjusted EBITDA by 14%.

Kinaxis is currently [working on AI](#) to increase its predictive abilities. The company has kept quiet about the specifics, but examples of supply chain AI used by other companies include demand forecasting, warehouse logistics and automated warehouse vehicles. A blog post on Kinaxis' website hints that the company may be using AI to predict supply chain disruptions and optimize inventory levels.

Amazon.com is a leader in AI-powered warehouse logistics, with an army of robots that stock shelves, fulfill orders, and more. Kinaxis' AI strategy will be different, of course, because it's on the software side of the supply chain management industry. But the fact that Amazon has achieved its famous supply chain efficiency with the help of AI shows that intelligent machines can create serious operational benefits.

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