



## New Investors: These Retail Tech Stocks Could Make You Rich

### Description

Up 15.87% in the last five days at the time of writing, **Lightspeed POS** ([TSX:LSPD](#)) is the breakout Canadian tech stock of the summer. Already a strong contender for a spot in a Canadian stock portfolio with a focus on growth, with an estimated earnings-growth rate of 101.2% over the next three years, this tech unicorn has seen a significant volume of shares getting snapped up by insiders in the last three months.

For newcomers, [Lightspeed POS](#) provides retail support software as a service (SaaS) platform for retailers, restaurants, and e-commerce businesses. Having already clocked in returns of 66.14%, an average analyst rating puts this stock as a moderate buy right now, although with a P/B of 10.1 times book and selling at \$20 over its fair value, a new investor in tech may want to watch for a dip.

### How does Lightspeed POS compare with these e-commerce champions?

Leaping 9.1% last week, the well-branded tech stock **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is still a firm favourite with both tech and legal marijuana investors, and the closest competitor to Lightspeed POS. Having released its first-ever global state of commerce report last week, investors and other stakeholders were treated to a breakdown of trends in direct-to-consumer (DTC) commerce and online sales behaviour.

Shopify's 36-month beta of 1.03 denotes a settled share price that moves in line with the TSX index, though with a P/B of 15.93 times book, it's definitely on the expensive side in terms of asset valuation. Still, with an estimated three-year earnings-growth rate of 64.1% and a proven track record illustrated by outperforming 12-month returns of 93.92%, Shopify stock is a buy right now.

The average consensus is that **Amazon.com** ([NASDAQ:AMZN](#)) stock is also a buy. Finishing last week up 1.63% in defiance of a rattled market, the [ubiquitous tech ticker](#) is, however, currently sitting on rather weak year-on-year returns of 6.79%. Newcomers will also have to weigh overvaluation (see a P/E of 72.59 times earnings and P/B of 17.68 times book) against a moderate expected three-year

earnings growth of 31.1%.

Where Shopify has the edge as a stock is in its ease of use as a service. From an accessible, uncluttered interface and straightforward website, its ability to effectively turn any business into an online enterprise means that while Lightspeed POS is a more or less direct competitor in terms of point of sale, Amazon.com is not. There's also the recent backlash against the FAANG crowd, which Shopify and Lightspeed POS have nothing to do with aside from being tech stocks.

Where the comparison with the FAANG stocks does come in, though, would be with regards to Shopify's price. However, even given that clear overvaluation, the potential for this stand-out tech stock to defy gravity is real: despite some pundits predicting a nosedive in its share price, Shopify has continued to rise and could continue to do so as its platform grows.

## The bottom line

Shopify represents Canada's foremost multi-channel e-commerce platform and, as such, is a leading stock for tech investors bullish on electronic retail. Lightspeed POS gives it a run for its money, though, storming onto the scene with significant momentum and bringing hefty upside potential. Amazon.com, meanwhile, looks less appealing at the moment with its unwieldy fundamentals and lower growth potential.

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1. Dividend Stocks
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1. Editor's Choice

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

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