



The Biggest Potential IPOs of 2019

Description

So far, it's been a lacklustre year for IPOs. While there have been some winners like **Lightspeed POS** ([TSX:LSPD](#)), by and large, 2019 has been a boring year for investors craving IPOs. But hold on: things may be about to change.

There are four stocks that analysts agree might be heading to market soon. And they're all in technology — the most promising sector for IPOs since marijuana.

In alphabetical order, here are four stocks to watch.

Hootsuite

Hootsuite is one of the world's most widely used platforms for managing social media and boasts over 15 million users. Based in Vancouver, it's latest funding round in March 2018 raised \$65 million. The lead investor is **CIBC**.

PointClickCare

Based in Mississauga, Ontario, PointClickCare develops web-based products and services to help long-term care providers manage the complete lifecycle of resident care. In its most recent round of funding, which began in February 2018, the company raised \$186 million. The lead investor is Dragoneer Investment Group.

Ritual

Headquartered in Toronto, Ritual is an app that taps networks of co-workers and colleagues for fast, easy, pick-up-and-pay orders at local eateries and coffee shops. With its lead investor of Georgian Partners, the company has raised \$70 million in funding since June 2018.

Vision Critical

Vision Critical is a customer intelligence software that helps companies build products, launch campaigns, and improve customer experiences. The company has been focused on fundraising since 2014 and has raised \$16 million through its investors, led by Georgian Partners. The company is headquartered in Vancouver.

How this year's IPOs stack up against previous years

In the first quarter of this year, there were only two Canadian IPOs worth over \$10 million. That's a slower pace than in recent history. In 2018, there were 11 IPOs worth more than \$10 million, which combined for total proceeds raised of \$1.6 billion. According to Deloitte IPO Advisory services, this number is below the past five-year average of \$3.2 billion.

Of the 11 IPOs over \$10 million that were listed in 2018, only five saw positive returns. At the end of 2018, the average total return of the IPOs was 2.8%. Of course, the dramatic pullback at the close of the year hurt the returns of the broader market with the TSX losing 12.2% overall.

The largest IPO in 2018 was **Ceridian HCM Holdings**, worth \$462 million. The global human capital management (HCM) software company is trading at \$64.34 as of this writing. The market for HCM is expected to grow by a [compound annual growth rate of 9.2%](#), one of the reasons for Ceridian's stunning debut.

Lightspeed soars after IPO

The biggest winner so far this year is Lightspeed, a software as a service company that provides commerce solutions to small- and mid-sized businesses. Lightspeed completed its IPO in March.

The Montreal-based company raised \$276 million in funding. Since its IPO, the stock has soared more than 100%, trading at \$36.09 as of this writing. With a market cap of \$3.02 billion and total revenue of \$77.5 million, Lightspeed expects to [grow revenue by 40% in fiscal 2020](#).

What can supplant the marijuana industry as the next big thing?

As investors, we're all looking for the "next big thing." That's especially true for investors looking to cash in on an IPO. Certainly, the boom of marijuana stocks entering the marketplace in the past few years has given investors plenty to talk about. But what can replace cannabis as the most promising industry going forward?

No doubt, the answer is technology. That's what makes the four stocks worth watching. Canada's IPO market is in dire need of some excitement, and these stocks may be just the catalyst this lacklustre IPO market needs.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

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2. Newscred
3. Sharewise
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cdye

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