



TFSA Investors: 3 TSX Tech Stocks With Loads of Upside

Description

Historically, the TSX has not been home to many great tech stocks. While top NASDAQ tech stocks have grown to market capitalizations approaching \$1 trillion, TSX tech stocks have delivered much more modest gains. For this reason, the TSX isn't the first index most investors think about when they consider investing in up-and-coming tech superstars.

Today, that attitude may be mistaken. Over the past three years, several TSX tech stocks have gone public and provided investors with superior, market-beating returns. These include stocks whose market capitalizations have grown to over \$50 billion, and several that have more than doubled in value this year. One of these TSX tech darlings has outperformed ALL the "FAANG" stocks and is up 1,263% since its IPO.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is Canada's most successful recent IPO. Since closing its first trading day at \$34.45, it has risen to \$517 — a 1,263% gain. If you'd purchased \$10,000 worth of Shopify shares at its IPO, you'd have over \$100,000 in your TFSA today. What's even more incredible is that this stock may still have a ways to go.

Even after all these years of growth, Shopify is still [growing its revenue at 48% year over year](#) and signing up more and more big vendors. It's even become the e-commerce platform of choice for celebrities like Justin Bieber and Adele, who can draw in huge sales — of which Shopify takes a cut.

Lightspeed

Lightspeed POS ([TSX:LSPD](#)) develops [point-of-sale software](#) with built-in analytics and supply chain management features. The company has vendors in over 100 countries and did over \$13 billion worth of transaction volume last year. Point-of-sale software is a huge industry growing at 20% CAGR, so Lightspeed is in a solid niche with plenty of room to grow.

That's reflected in the company's financial results: in its most recent quarter, it grew revenue at 36% year over year. For the full fiscal year, it is forecasting revenue growth in the 40% range — not quite the ultra-fast grower that Shopify is but a much cheaper stock.

Kinaxis

Kinaxis ([TSX:KXS](#)) is a company that develops supply chain management software. The company is best known for its RapidResponse platform, which allows businesses to synchronize all their supply chain data in the cloud. The platform also lets businesses predict supply chain disruptions and collaborate with team members for an all-in-one supply chain management experience.

In its most recent quarter, Kinaxis grew its revenue by 9% to \$42 million, while adjusted EBITDA increased 5% to \$11 million. The company's SaaS revenue saw particularly strong growth, rising 18% year over year. These results show that even an older tech company (Kinaxis was founded in 1984) can continue to post strong growth figures. The market seems to agree with this, as KXS shares have risen 347% in the past five years.

CATEGORY

1. Investing
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2. TSX:KXS (Kinaxis Inc.)
3. TSX:LSPD (Lightspeed Commerce)
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Author

andrewbutton

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