



## My Top Tech Stock for the 2020s

### Description

Back in the middle of March, investors were reeling from one of the fastest and sharpest stock market retreats in modern history. At the time, one top tech stock [defied expectations](#). Today, I want to discuss why this equity is my top growth hold for the rest of this decade.

### Kinaxis has been the stock to own in 2020

The top tech stock I'm talking about is **Kinaxis** ([TSX:KXS](#)). Kinaxis is an Ottawa-based company that provides supply chain management and sales and operation software to its growing customer base.

Shares of Kinaxis have climbed 22% in 2020 as of close on April 17. Kinaxis has been one of the top performers on the **TSX**.

As I'd alluded to earlier in this article, Kinaxis proved resilient in the face of broader volatility in February and March. Canadian markets took a hard hit in March due to the heavy weighting of energy on the TSX. Oil and gas have been pulverized in recent weeks, putting many mid-cap Canadian energy stocks in a precarious position.

Meanwhile, tech stocks have continued to be robust. Kinaxis is set to release its first quarter 2020 results on May 7. In 2019, the company reported total revenue of \$191 million – up 27% from the prior year.

Profit surged 62% to \$23.3 million and adjusted EBITDA increased 38% to \$57.7 million. Kinaxis projected total revenue between \$211 million and \$213 million for the 2020 fiscal year.

Let's explore why investors should place their trust in Kinaxis as a top tech stock for the rest of the 2020s.

### Why the stock will explode this decade

In the summer of 2019, I explained why Kinaxis was one of the most [underrated IPOs of the 2010s](#). Kinaxis has propelled Canada into a leadership position when it comes to its supply management software capabilities.

The COVID-19 crisis has illustrated how crucial supply chain optimization will be in the years to come. As a result, Kinaxis has a chance to be a top tech stock over the next decade.

Market research firm ReportLinker recently projected that the global supply management software market would grow by \$9.56 billion from 2020 to 2024, representing a CAGR of 11% during the forecast period.

Private and public entities have experienced unprecedented disruption due to the COVID-19 pandemic. With day-to-day conditions so uncertain, there is increased demand for systems that can detect misalignments in supply chains.

Kinaxis is one of the top Canadian companies employing artificial intelligence like machine learning to drive its software offering. It recently revealed that the number of simulation scenarios have soared. Kinaxis saw over 10 billion planning assessment calculations in the first quarter.

The company now has supply chain practitioners using its cloud service in over 75 countries. It has reported that verticals like life sciences and consumer products have increased their activity because their supply chains respond to spikes in demand.

## Kinaxis is on fire to start this year

To start 2020, Kinaxis has announced partnerships with firms like Technicolor, 4flow, and the global pharmaceutical giant H. Lundbeck A/S. Kinaxis boasts an immaculate balance sheet and it is one of the few companies whose prospects look even brighter in the wake of this crisis.

Shares are trading near a 52-week high right now, so value investors may want to monitor Kinaxis and jump on any entry points in the future.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:KXS (Kinaxis Inc.)

### PARTNER-FEEDS

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**Date**

2025/08/26

**Date Created**

2020/04/20

**Author**

aocallaghan

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