



3 TSX Tech Stocks I Like More Than Shopify (TSX:SHOP)

Description

Shopify has been [the talk of the town once again](#), after more than doubling in just over a month. Not even COVID-19 has been able to slow the seemingly unstoppable tech titan. It even briefly grabbed the title of Canada's most valuable company on Wednesday.

You might be thinking of Shopify, because you're hungry for a high-momentum tech play that can continue surging in these most uncertain times. But I'd urge you to consider one of Canada's other tech plays. There are other hot tech tech stocks out there, which are far more attractively valued.

When I look for a hyper-growth candidate, I want to avoid paying for many years worth of earnings upfront. These are three that I think merit further research.

Kinaxis

Kinaxis ([TSX:KXS](#)) is a supply chain management software developer that, like Shopify, has been roaring higher in April.

The stock surged 10% after an exceptional quarter that saw SaaS revenues jump 24% to \$34 million. Total revenues jumped 15% to \$52.8 million. Despite coronavirus-related uncertainties, management reiterated its fiscal 2020 guidance, injecting a new wave of optimism into the name. At the time of writing, the stock was up 82% from its March bottom. It has popped like a coiled spring after years of consolidating below the \$100 mark.

With shares trading at 14.3 times sales, Kinaxis is a double-digit grower with a far lower price of admission than Shopify. After one of the best quarters in years, I suspect KXS could be on a sustained rally to new heights as investors gain a better understanding of the blowout quarter.

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#)) is quite possibly the most undervalued and underrated cloud stock on

the **TSX Index** today.

Shares of the commerce-enabling mid-cap lost over 70% of their value in the coronavirus crash. A big chunk of the firm's cash flows is derived from smaller businesses that are among the most vulnerable to lockdowns. Think restaurants and bricks-and-mortar retailers.

I think the damage to Lightspeed has been overblown, and the name offers deep value to growth investors with the stomach for volatility. As the economy looks to reopen, Lightspeed could have the most medium-term upside. Shares trade at 13.8 times sales. While still pricy, this looks like a steal compared to Shopify and its insane 50 times sales multiple.

Goodfood Market

Finally, we have meal-kit delivery service provider **Goodfood Market** ([TSX:FOOD](#)), which has also been [making new all-time highs](#) amid the coronavirus crisis. As more self-isolating Canadians opt to stay at home and cook, the demand for Goodfood's product is expected to remain robust.

I view Goodfood as more than just a "novel fad" or "pandemic hedge." The company's margins are headed in the right direction. As more operational efficiencies are realized, Goodfood will have the power to pass the savings back to its subscribers. This will make the service more competitive with the low-cost grocers that thrive in low-margin environments.

As hot as Goodfood stock has been during this pandemic, the stock remains absurdly cheap at just 1.2 times sales, making the promising small-cap a worthy addition to any growth investor's portfolio.

Stay hungry. Stay Foolish.

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1. Coronavirus
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TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. TSX:KXS (Kinaxis Inc.)
3. TSX:LSPD (Lightspeed Commerce)

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