



Forget Shopify! These 2 Tech Stocks Could Deliver Higher Gains

Description

Canada's largest tech stock, **Shopify**, gets all the attention these days. However, smaller, lesser-known opportunities like **Maxar Technologies** ([TSX:MAXR](#)) ([NYSE:MAXR](#)) stock and **ATS Automation Tooling Systems** (TSX:ATA) deserve a closer look. Investors seem to be overlooking the diversity and vibrancy of the country's technology sector.

These stocks tend to trade at better valuations. Also, their potential markets are just as big, if not bigger, than the global e-commerce industry. With that in mind, here's a quick run-through of why I believe industrial automation and space technology present better growth opportunities than e-commerce.

ATS Automation stock

The automation of the labour force is, perhaps, the biggest story of the decade. With the ongoing pandemic and trade wars, international trade has screeched to a near halt. There's a global movement towards nationalizing production and manufacturing.

However, when developed countries restart domestic production, the factories are more likely to be automated. Industrial technology, provided by the likes of ATS Automation, could help countries cut costs and save time while producing goods onshore. The move towards a robot-driven factory is already underway.

By 2025, the industrial automation industry could be worth US\$225 billion (CA\$302 billion). Meanwhile, the market capitalization of ATS Automation is just \$1.8 billion today. The company's acquisition-driven growth strategy could help it multiply shareholder wealth many times over within this decade.

Currently trading at 34 times trailing earnings and two times sales per share, ATS Automation stock presents a [more reasonably priced growth opportunity](#) than Shopify.

Maxar stock

If industrial automation is worth hundreds of billions and e-commerce is worth trillions, space tech is literally infinite. We've barely scratched the surface of what's possible when we commercialize space. For the moment, it's rocket launches and satellite imaging. But in the future, we could be mining asteroids and manufacturing high-tech materials in zero gravity.

The possibilities are endless, and Maxar stock has been a proxy for the industry for over a decade. Unfortunately, the company's ambitious dreams were stymied by its debt burden. Maxar stock has been steadily declining for years. It's down 76% since 2015.

This year, the company seems to have finally turned a corner. Debt is looking more manageable, and moving the headquarters to the U.S. is helping the company win lucrative government contracts. [Hedge fund legend Michael Burry](#) recently made a big bet on the company's turnaround.

Seeing as Maxar stock is up 185% over the past 12 months, investors seem to have recognized this turnaround. However, the company is still worth only \$1.4 billion and could have plenty more room to grow.

Foolish takeaway

I admire Shopify. I'm sure most investors do. However, savvy investors look for returns in underappreciated stocks, not celebrated ones. Opportunities like Maxar stock and ATS Automation seem to be flying under the radar. Both companies are worth just over a billion, while their addressable markets are gargantuan.

Unlike e-commerce, commercial space tech and industrial automation are both far less competitive. If you're looking for multi-fold returns and have a decent appetite for risk, I'd suggest adding these two to your watch list.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MAXR (Maxar Technologies)
2. TSX:ATS (Ats)

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