



## Forget Shopify! These 2 Tech Stocks Are Better Buys

### Description

While we're seeing news about **Shopify** very often, it isn't the only Canadian tech company to have boosted the **TSX** this year. Other [tech companies](#) have helped to offset some of the losses of the index.

The TSX is still in the red for the year because the impact of the tech sector is small compared to the banks, miners, and energy companies.

Investors have flocked to tech stocks due to their stronger growth prospects compared to other areas during the coronavirus crisis.

The pandemic should help accelerate the adoption of technology in a lot of different areas because technology is one of the only means of mitigating some of the impacts of the pandemic.

Shopify is dominating the tech sector with a 90% gain year to date. But **Real Matters** ([TSX:REAL](#)) and **Kinaxis** ([TSX:KXS](#)) follow closely, with returns of 87% and 73%, respectively. These two tech stocks are less expensive than Shopify with more upside.

### Real Matters

Real Matters provide network services for the mortgage and insurance industries. With most of its income coming from the U.S. mortgage industry, low rates are keeping things busy for Real Matters.

The company's current client base includes approximately 60 of the top 100 mortgage lenders in the United States and some of the largest insurance companies in North America. Real Matters also provides residential real estate appraisals for the mortgage market and is an independent provider of title and mortgage closing services in the United States.

The network services provider saw its refinancing volumes increase as central banks cut rates to pump financial markets with liquidity during the recession. Mortgage rates set a new record low last week, falling below 3%. The Federal Reserve has committed to keeping rates low until 2022, so mortgage rates should stay low for a long time. Ongoing low rates should boost Real Matters' business.

Real Matters' U.S. Appraisal and U.S. Title revenues reached a record level in the second quarter of 2020. Consolidated adjusted EBITDA for the quarter rose to \$14.6 million from \$2.8 million in the same period last year.

For the full year, revenues are expected to increase by about 44% from 2019 to \$147 million. In 2021, a 30% growth is forecasted, which would bring Real Matter's revenue to about \$255 million.

## Kinaxis

Kinaxis is seeing a big surge in demand as its supply chain management software help companies track global shipments and mitigate challenges caused by the COVID-19.

The Kinaxis RapidValue deployment process is designed to manage and reduce risks brought on by the unprecedented daily disruptions companies are experiencing. Kinaxis allows manufacturers to accelerate their digital supply chain planning journey, which allows them to gain hyper-agility and visibility as well as realize value more quickly.

In six weeks, the RapidResponse platform can be operational and start providing the relief companies are looking for.

The Ottawa-based company reported a 15% increase in revenue to \$52.8 million in the first quarter. EPS of \$0.34 beat estimates of \$0.29.

The company maintained its forecast for 2020. Sales are expected to increase by about 12% from 2019 to \$215 million. In 2021, a 19% growth is expected, which would bring Kinaxis' revenue to about \$255 million.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. TSX:KXS (Kinaxis Inc.)
2. TSX:REAL (Real Matters Inc.)

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