



## Hotter Than Shopify (TSX:SHOP), This Underrated TSX Tech Stock Has Room to Soar!

### Description

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a white-hot tech titan that's continued to [defy the laws of gravity](#) through the years. The company was firing on all cylinders last year. Today, it's riding high on pandemic tailwinds, as small- and medium-sized merchants continue scrambling to quickly gain a digital presence to salvage some sales lost at the hands of quarantines and government-mandated shutdowns.

The Shopify story is nothing short of remarkable. And although many value-conscious investors will continue to question the lofty valuation (shares currently trade at 63 times sales), shares of the e-commerce kingpin will probably continue climbing higher, as management continues raising the bar, justifying its swelling pie-in-the-sky multiple.

With Shopify now sporting a \$160 billion market cap, though, shares may not have as much room to run compared to the likes of many lesser-known up-and-coming tech firms that have harnessed the power of the cloud.

### Skate to where you think the puck is headed next

While e-commerce may be one of the hottest tech sub-industries today, but in many years from now, it may be another tech niche that'll be the next talk of the town. As such, it's worthwhile to spread your bets across some of the lesser-known tech niches to improve your odds of achieving outsized returns over the long-term time horizon.

As Wayne Gretzky once said, "Skate to where the puck is going, not where it has been." The same advice, I believe, applies to the world of growth investing. So, without further ado, consider the following lesser-known Canadian tech stocks that could lead the way well after the e-commerce hype has settled down.

## Docebo: An up-and-comer in a booming tech niche with a stock hotter than Shopify's

**Docebo** ([TSX:DCBO](#)) is a Software-as-a-Service (SaaS) firm in the budding [learning management system \(LMS\)](#) space. The developer of e-learning solutions has seen its stock pick up traction amid the pandemic, as the work-from-home (WFH) trend took-off.

Many enterprises have seen an increased appetite for better WFH infrastructure. With a unique AI-leveraging solution, Docebo has been a significant beneficiary from the transition to home-based workforces. Just like Shopify, the company has been enjoying tailwinds amid this pandemic.

While some may view the pandemic as a mere “pull-forward” in demand for Docebo's products, I think the bump in client wins is the start of a secular trend that could see Docebo grow its client base at an accelerating rate through and out of this pandemic.

LMS may be a hot topic amid the COVID-19 pandemic. And if you're like me and believe that many workforces won't be returning to the office after this ordeal is over, LMS is likely to remain a hot tech niche for years to come regardless of when this pandemic ends.

Today, Docebo remains a little-known up-and-comer with its mere \$1.1 billion market cap. But despite its small size, the company boasts an impressive client base of established behemoths, which speaks to the value and uniqueness of Docebo's LMS offering.

With innovative technologies powering the platform, Docebo has a ridiculously wide moat relative to most other firms its size, as it looks tough to replicate the firm's platform given the ever-improving innovations under the hood.

### So, is Docebo a better buy than Shopify?

Shopify is a wonderful business that could continue roaring higher. But with one of the more expensive Canadian tech stocks out there, expectations are ridiculously high, with little to no room for error in upcoming quarters.

If you're looking for a stock with room to run at a better multiple, Docebo looks nothing short of compelling. The LMS provider trades at 18 times sales and is likely to enjoy accelerated top-line growth during and after this pandemic.

The stock has more than tripled in a matter of months, though, so I'd get a bit of skin in the game with a partial position, as you wait for a pullback to build on your position further.

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1. Coronavirus
2. Investing
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1. NYSE:SHOP (Shopify Inc.)
2. TSX:DCBO (Docebo Inc.)
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## Date

2025/08/03

## Date Created

2020/07/21

## Author

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