



Top 3 TSX Tech Stocks Under \$50 to Buy Now

Description

Although the financial markets have recovered strongly from their March lows, many sectors are still down for this year. However, the technology sector is in a good space. The pandemic did not have much impact on the technology companies' operations, as employees worked from their homes.

Meanwhile, the pandemic has prompted many businesses across the world to digitize their process. So, this shift has increased the demand for technology services, driving investors' optimism over technology companies. Given the increased interest in technology stocks, I believe the following three stocks, which trade below \$50, to perform well this year.

Facedrive

Facedrive (TSXV:FD) was the first company in TaaS (transportation as a service) sector to offer customers an option to choose between electric, hybrid, and conventional vehicles. Meanwhile, the company has expanded its businesses to other services, such as food delivery, e-commerce, and health care.

Since its IPO in September 2019, Facedrive stock has increased close to 680%. The strong sales growth has supported the rally. Last year, the company's revenue grew by over 4,000% to \$599,104. In the first quarter of this year, its revenue increased by over 975% to \$36,026.

Meanwhile, the company's valuation looks expensive. Currently, it trades at over 1,500 times its sales in the last four quarters. However, the company is expanding its business. It recently [acquired Foodora](#), a food delivery service in Canada. In March, it completed the acquisition of HiRide Share, a car-pooling app for long-distance travel.

Along with these acquisitions, the growth in its car-sharing business could drive the company's sales. Facedrive currently trades at a discount of over 43% from its all-time high of \$28. So, I believe there is more upside for the stock.

Real Matters

Real Matters ([TSX:REAL](#)) is a technology company with its products and services focused on real estate. It provides a faster and reliable service to the clients through its proprietary technology platforms and a healthy relationship with field professionals, which has given it an edge over its peers.

When the broader equity markets are trading down for this year, Real Matters has returned over 130%. The strong revenue growth and expansion in its EBITDA margins have supported the rally. The company's revenue grew over 70% in the first two quarters of this fiscal year. Meanwhile, its EBITDA margins expanded from 29.4% to over 40% during the period.

The federal banks in the United States and Canada have slashed interest rates to boost economic activities that were impacted by the outbreak of the COVID-19. Lower interest rates have increased refinancing operations, increasing the demand for Real Matters's services. The company's management is hopeful that the purchase market will also recover post-COVID-19.

So, given the favourable market conditions, I believe Real Matters will continue to rise.

Lightspeed

Lightspeed POS ([TSX:LSPD](#)) is down 5.8% for this year. The company provides omnichannel point-of-sale platforms to retailers, restaurants, and other small businesses. The outbreak of COVID-19 and the subsequent lockdown had a devastating impact on its customers. So, investors had dumped Lightspeed in March, fearing the effect on its financials.

However, the company's stock is up over 220% from its March lows, as many retailers and restaurants were looking for omnichannel solutions to boost their sales. In March, the company received its highest e-commerce subscriptions. The e-commerce sales from its customers witnessed 400% growth in that month. Also, the subscriptions for delivery and payment platforms are rising.

With Lightspeed broadening its solutions to meet its customers' needs, I believe the stock can [reach higher levels](#). So, investors should use this pullback to accumulate the stock for higher returns.

CATEGORY

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2. Tech Stocks

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2. TSX:REAL (Real Matters Inc.)
3. TSXV:STER (Facedrive Inc.)

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