Forget Shopify (TSX:SHOP): 2 Canadian Cloud Stocks That Could Double

Description

If you've got $3,000 in disposable cash just lying around, just collecting dust in your savings account, it may be a better idea to put it to work in some of the hotter cloud stocks on the **TSX Index**. When you think of growthy cloud stocks, you probably picture NASDAQ-traded securities that Robinhood traders are euphoric over. What you may not know is that there are a tonne of incredible cloud stocks on this side of the border that could allow you to double your money.

If you're young and fearless, the following two mid-cap TSX growth stocks should be at the top of your buy list. But a word of caution: mind the excess volatility!

Docebo: An AI-leveraging cloud stock that's been hotter than Shopify

Docebo (TSX:DCBO) is a Software-as-a-Service (SaaS) company that's carved out a pretty nice niche for itself in the Learning Management System (LMS) space, which has been white hot amid pandemic-induced work-from-home (WFH) shift. The company has been riding high on pandemic tailwinds lately. As the demand for WFH tech infrastructure increases, Docebo stock could continue roaring higher, as it looks to continue taking the LMS market by storm.

The stock now trades at a lofty 17.4 times sales, though. So, you'd better not freak out if you see shares down by double-digit percentage points on any given day, because this kind of volatility will likely be the norm for the e-learning powerhouse. If you're looking for a pandemic hedge and won't be horrified if your investment gets cut in half before it doubles up, it may be a wise idea to get a bit of skin the game here.

Despite its small size, Docebo boasts an applaud-worthy client base and AI-leveraging technology that I view as having a pretty wide moat.

Lightspeed POS: A commerce cloud stock with room to rally

Lightspeed POS (TSX:LSPD) is a commerce-enabling firm with a client base that's under pressure amid the pandemic, which is a huge reason why the stock plummeted over 70% from peak to trough back in February and March.

I'd urged investors to back up the truck on shares, as they were oversold back in March and April, noting that Lightspeed would likely be in for **Shopify**-like client adds, as small businesses scrambled to gain any edge they could to improve their odds of surviving the crisis.

As long as this pandemic doesn't drastically worsen (i.e., a second COVID-19 wave that could dwarf the first one), causing small businesses to go under en masse, Lightspeed POS will likely grow out of this pandemic a lot stronger than when it entered it.

In a prior piece, I'd noted that the pandemic served as both a tailwind and a headwind for Lightspeed. Given Lightspeed's clientele aren't under as much pressure as initially thought back in March, I'd say now is a time to start scaling into a position while shares trade at 18 times sales, which is a relatively low price to pay for a firm that caters to both the online and offline realms.

Foolish takeaway

Canadian SaaS companies are exploding onto the scene. Docebo and Lightspeed POS are both white hot and are likely to continue moving higher for the duration of this pandemic, as demand for their value-adding services continues surging.

Both names could allow you a good shot to double your money within three years, but just make sure you're aware of the elevated downside risks that could leave you vulnerable in a broader rotation out of tech stocks that have been "working" amid this crisis.

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TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
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Author
joefrenette