



2 Tech Stocks I'd Buy Today Instead of Shopify (TSX:SHOP)

Description

The Canadian market may be down on the year, but that hasn't slowed tech favourite, **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)). The e-commerce company's stock is up more than 150% this year, while the **S&P/TSX Composite Index** is down roughly 5%.

After hearing the company's most recent earnings report last week, it shouldn't be too surprising to see how well the tech stock has done this year. Analysts were expecting quarterly revenue to come in at \$513.83 million, but instead, the company reported \$714.3 million in revenue, which is a 97% growth year over year.

Don't get me wrong: I'm extremely bullish on Shopify. I'm a very satisfied shareholder that doesn't plan on selling shares any time soon. That said, now trading at an absurd valuation of a price-to-sales ratio of 70 at writing, there are other tech growth companies that I'll be looking to add before picking up more shares of Shopify.

Docebo

Docebo ([TSX:DCBO](#)) joined the public market less than one year ago. In just 10 months on the public market, the tech company has seen its stock price grow by an extremely impressive 175%.

The company specializes in building cloud-based learning platforms to train both employees and customers. The Toronto-headquartered company serves clients across the globe, including North America, Europe, and the Asia-Pacific region.

What gives Docebo a strong competitive advantage is the integration of artificial intelligence into the learning platforms. The objective is to provide customers with a personalized learning experience for each user. The platform also supports customers by centralizing the company's learning activities to help improve efficiencies in the overall training process.

Docebo [may not be considered a cheap stock](#) by any standard, but it sure looks like it in comparison to Shopify. The tech stock trades today at a price-to-sales of 27.

Constellation Software

This tech company is much more seasoned than Docebo, and larger too. Valued at a market cap of \$33 billion, **Constellation Software** ([TSX:CSU](#)) has a rich track record of outperforming the Canadian market.

The software company may not be a household name among Canadian investors, but that's no reason to not have this stock on your radar. The company has averaged roughly 40% yearly growth over the past decade. With yearly gains like that, this stock should be on every Canadian investor's radar.

Constellation Software is in the business of building out vertical-specific software for both public and private sector clients. Public sector clients consist mostly of government-related customers. The private sector segment serves commercial customers, often in very niche industries.

The company not only develops the software for its clients, but will also support customers through installation, implementation, and training services.

The company has also [implemented an acquisition strategy](#) to help fuel revenue growth. Constellation Software will often be quite secretive when it comes to releasing the details from acquisitions. The company believes the secrecy will help keep future acquisition prices down.

In terms of valuation, Constellation Software will likely look like a value play in comparison to Docebo or Shopify. While perhaps not considered cheap, the stock trades at an affordable forward price-to-earnings ratio of 33 today.

Foolish bottom line

If you're looking to add a high-growth tech company to your portfolio, you have more options than just Shopify. Docebo and Constellation Software each have impressive track records — albeit a very short public one for Docebo — and are in a prime position to see growth continue for many years.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. constellation software stock
2. docebo stock
3. growth stocks
4. tsx growth stocks

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:DCBO (Docebo Inc.)

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