



Is it Too Late to Buy These Under-\$50, Ultra-High-Growth Tech Stocks?

Description

Tech stocks are on a tear, outgrowing the broader markets by a huge margin. For instance, shares of **Facedrive** (TSXV:FD), **Docebo** ([TSX:DCBO](#)), **Lightspeed POS** ([TSX:LSPD](#)) have increased by whopping 878%, 378%, and 274%, respectively, from their March lows in 2020. In comparison, the **S&P/TSX 60** Index is up about 44% after hitting its low on March 23.

The stellar run in these tech companies could make you wonder whether it's too late to buy their stocks. However, these under-\$50, ultra-high-growth tech stocks have enough juice left to make you a fortune in the long run.

All these companies are the beneficiaries of secular tailwinds, which should continue to support the upside. Let's take a closer look to know why the rally in these tech stocks could sustain in 2020 and beyond.

Facedrive

Despite the massive rally in Facedrive stock, the company has ample room for growth. Facedrive's eco-friendly ride-sharing platform continues to witness a healthy adoption rate both from customers and drivers.

Its gross fees from the rides have shown enormous growth for the three months ended March 31. Meanwhile, revenues surged nearly 11 times year over year. The robust growth reflects a steep rise in the rides completed and kilometres driven each month. Moreover, sustained growth in the user and driver registrations further support revenues.

Facedrive's cost of acquiring new customers is low, while it has a large addressable market that should continue to drive its stock higher in the long run. Moreover, the ride-sharing market is growing at a healthy pace, and Facedrive's expansion plans in the U.S. and Europe provide a solid underpinning for outsized growth.

Lightspeed POS

Shares of Lightspeed POS continue to benefit from the growing number of small- and medium-sized businesses (SMBs) moving online. As online activities increase amid the pandemic, SMBs are migrating to an omnichannel platform to meet the growing demand of their customers, which, in turn, is benefiting Lightspeed POS.

Its platform helps SMBs to manage payments, supply chain, and e-commerce. With the growing demand for its platform, Lightspeed recorded a 53% jump in its gross transaction volume [in June](#). Its customer locations expanded to 77,000 in the most recent quarter, reflecting a year-over-year growth of over 50%.

While the COVID-19 outbreak has accelerated the demand for Lightspeed's offerings, the trend is likely to sustain even after the pandemic is over. Investors shouldn't be scared of the recent rally in its stock, as a secular headwind and multiple growth catalysts [warrant its high valuation](#). Investors with a long-term outlook could consider buying Lightspeed POS stock to benefit from its high growth potential.

Docebo

The growing demand for cloud-based enterprise learning is driving the financials of Docebo and, in turn, its stock. With the outbreak of the pandemic and emphasis on corporate e-learning solutions, Docebo could continue to witness strong growth in the coming years.

The company's deal size is increasing, while its recurring revenues are growing at a breakneck pace (registering a CAGR of 69% between fiscal 2016 to fiscal 2019). In the most recent quarter, Docebo's revenues surged 46.5% year over year. Further, its annual recurring revenues marked a growth of 54.5%. Its customer base is also increasing at a high rate, registering a growth of 23.9% in the last reported quarter.

With growing demand, rising customer base, and high recurring revenues, Docebo stock could continue to outgrow the broader markets in the coming quarters.

Bottom line

These under-\$50 tech stocks have outperformed the broader markets by a wide margin and have the potential to generate explosive growth in the long term. The positive industry trends and scope for growth are providing a strong base for future growth.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)

2. TSX:LSPD (Lightspeed Commerce)
3. TSXV:STER (Facedrive Inc.)

PARTNER-FEEDS

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