



## 3 High-Growth TSX Stocks to Buy After the Recent Pullback

### Description

Despite the impact of the pandemic, the Canadian tech sector has been in good space this year. Some of the high-growth tech stocks have delivered over 75% of returns for this year. Meanwhile, in the last few days, we have seen profit booking in some of these stocks. Thus, I believe investors who had missed the earlier rally should utilize this pullback to accumulate these stocks for higher returns.

### Real Matters

My first pick is **Real Matters** ([TSX:REAL](#)), a software company that services mortgage lenders and insurance companies through its proprietary platforms. In order to boost the economic activities after the pandemic-infused slowdown, the federal banks in the United States and Canada had lowered the interest rates. The fall in interest rates had led to an increase in refinancing activities, driving the need for Real Matters' services.

In its [recently completed third quarter](#), the company's consolidated net revenue increased by over 50%, while its adjusted EPS rose by over 190%. Meanwhile, many lenders are facing scalability and performance from their existing vendors amid the surge in refinancing activities. It has therefore created a perfect opportunity for Real Matters to gain new clients and also increase its market share.

The impressive third-quarter performance and its strong growth prospects drove Real Matters' stock price to hit an all-time high of \$33.01 on August 6. However, since then the company's stock has corrected over 9%.

Given the competitive edge over its peers and the growing addressable market, I expect the company's stock to reach three digits in the next two to three years. I believe investors should utilize the recent correction to buy the stock for substantial returns.

### Absolute Software

**Absolute Software** (TSX:ABT) is my second pick, which provides management and security services

on a SaaS (software-as-a-service) model to enterprises, governments, and educational institutions. At the end of June 30, the company had 140 patents, while 29 more patent applications are in the process.

Amid the pandemic, many businesses have been working from their homes. Also, an increasing number of people are opting for distant learning due to the outbreak. This shift has led to a surge in demand for security software. In its recently reported fourth-quarter earnings, the company had outperformed both analysts' top- and bottom-line expectations.

The company had hit its 52-week high of \$16.89 on August 7. However, the company currently trades 10% lower to that price. [Investors should utilize this pullback to buy stock](#), as the demand for security software could rise further, with many businesses are offering their employees to work from their homes permanently.

## Docebo

My final pick is **Docebo** ([TSX:DCBO](#)), which provides e-learning platforms for enterprises on a SaaS (software-as-a-service) model. It offers learning platforms that are highly configurable and are also easy to use, which would help enterprises train their employees as well as customers.

With many employees working from their homes, the need for Docebo's services has increased. In its second quarter, the company's revenue grew 46.5% on a year-over-year basis, with its subscription revenue contributing over 92% of that.

Driven by its impressive second-quarter performance, Docebo's stock hit its all-time high of \$58.83 on August 10. However, the company has fallen 15% from that value, providing investors an excellent buying opportunity. I believe the rally in Docebo's stock has more legs given its high customer retention and growth in its recurring revenue.

### CATEGORY

1. Tech Stocks

### TICKERS GLOBAL

1. TSX:ABST (Absolute Software)
2. TSX:DCBO (Docebo Inc.)
3. TSX:REAL (Real Matters Inc.)

### PARTNER-FEEDS

1. Business Insider
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