



2 Stocks I'm Buying for the Post-COVID-19 World

Description

Investors should be more cautious before investing, as the ongoing change would impact the long-term prospects of several companies. However, for a few, the virus has created solid long-term tailwinds that could propel their stocks higher, even in the post-COVID-19 phase. Here are three such [stocks that could gain big](#) in the post-COVID-19 world.

Lightspeed POS

As consumption pattern is shifting online, the demand for the digital products of **Lightspeed POS** ([TSX:LSPD](#)) is gaining traction. Lightspeed's digital products help small- and medium-sized businesses in managing their operations, including payments and e-commerce activities.

The COVID-19 pandemic has accelerated the shift online, as reflected through the increased number of customer locations and stellar growth in Lightspeed's gross transaction volume. The rapid rise in demand has fueled a massive rally in Lightspeed stock. Shares of Lightspeed are up over 353% from its March lows.

The structural shift has created secular tailwinds for Lightspeed, which could significantly boost its stock in the post-COVID-19 world. Its customer base is likely to expand, thanks to the large and underserved market coupled with acceleration in migration towards the omnichannel platform.

Lightspeed is also adding premium offerings to its core platform, including analytics, accounting, and loyalty that is expected to expand the ARPU and support margins. Its recurring revenues remain strong and should support the uptrend in its stock.

Enghouse Systems

The pandemic-driven shift towards working from home and distance learning presents a multi-year growth platform for **Enghouse Systems** ([TSX:ENGH](#)). The company's software and solutions support working from home, customer interactions, and communications. With remote work and learning

becoming new normal, Enghouse is expected to report stellar financials, which should drive its stock higher.

Its revenues surged about 58% in the [most recent quarter](#), reflecting higher sales of the solutions that support remote work. Meanwhile, its adjusted EBITDA registered growth of about 81%.

Investors should note that Enghouse has consistently performed well in the past, and the momentum is likely to sustain in the coming years, thanks to the strength in its underlying business, acquisitions, and structural shift towards remote work.

With robust sales, accretive acquisitions, and operational efficiencies, Enghouse Systems could drive double-digit growth in its bottom line, which should fuel further upside in its stock.

Bottom line

The COVID-19 pandemic has led to a structural shift in several sectors, which could benefit a few companies, including Lightspeed and Enghouse Systems. Both these companies have multiple growth catalysts that continue to drive their stocks higher.

Lightspeed POS and Enghouse Systems are likely to generate stellar returns for investors, thanks to the secular industry trend and large addressable market. Despite the recent rally, investors should buy and hold these stocks for the next decade.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:ENGH (Enghouse Systems Ltd.)
2. TSX:LSPD (Lightspeed Commerce)

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