2 Incredible TSX Tech Stocks I'd Buy Right Now

Description

Following the September tech-led pullback, many of the hottest Canadian cloud-based tech stocks are in the process of taking a breather. If you're a young investor who's seeking to build wealth over the next decade and beyond, I'd nibble away on the following two names on weakness.

While there could be more volatility over the coming months should the market continue turning against the first-half tech winners, over the long run, the following companies have ample upside given that they're still in the early innings of their growth stories.

If you seek to make a quick buck by flipping the following names, you may want to steer clear of the following names because they're likely to face amplified volatility that could lead to steep losses over a concise time frame, especially if we're due for a near-term rotation out of tech stocks.

As long as you're willing to stash and forget the following excessively volatile growth names in your portfolio, only then would I recommend buying them at this juncture. Without further ado, let's get right into them and why each growth name is a top candidate to become a major multi-bagger over the next 10 years.

Docebo

Docebo (TSX:DCBO) is an e-learning software developer that's taken the Learning Management System (LMS) market by storm amid the pandemic. The tech stock has been winning over a tonne of big-league clients, lifting shares that have nearly quintupled in a matter of months before pulling back modestly in September.

I've been urging investors to keep buying the stock all year. While the valuation is no longer appealing (the stock trades at a hefty 21 times sales), young, long-term-focused investors should still seek to get some skin in the game, as there are few mid-caps on the **TSX Index** with a long-term growth story or tailwinds that are nearly as powerful.

Yes, the tech stock is expensive, but given the budding LMS market, Docebo's "moaty" offering that can capture a huge chunk of the market, and the mere $1.4 billion market cap, fearless investors should at least nibble into a tiny position so that the potential multi-bagger doesn't have a chance to get away.

Lightspeed POS

Lightspeed POS (TSX:LSPD)(NYSE:LSPD) is another lesser-known Canadian software player that I've been a raging bull since the year began. Shares of the commerce-enabler imploded on themselves, falling a horrifying 75% from peak to trough back in the February-March market crash. At the time, it seemed as though Lightspeed POS would not recover from this crisis (at least not within a matter of months!), as a majority of its clients were in industries (retail and restaurants) that were among the most affected by COVID lockdowns.

As I predicted, the damage was overblown beyond proportion, and the ensuing relief rally was just as explosive and unprecedented as the crash. Today, Lightspeed shares are looking to break out to new all-time highs, something that most thought would be impossible given the magnitude of the decline suffered earlier this year.

Few stocks implode 75% to make new all-time highs just months later. This shows the profound volatility that can be expected with the name and the magnitude of investor misunderstanding of the business by folks on the Street.

Lightspeed POS stock recently landed on the NYSE and is a compelling buy, given it's still cheap relative to most other cloud-based tech stocks based out of Silicon Valley. LSPD stock trades at 24 times sales, which seems expensive. Given the firm's growth capacity, the multiple may not be expensive enough, given the magnitude of longer-term sales multiple compression the firm is capable of.

Don't back up the truck here, but don't be afraid to nibble because I'd be unsurprised if Lightspeed stock continued roaring higher into year-end.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:DCBO (Docebo Inc.)
3. TSX:LSPD (Lightspeed Commerce)

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