2 Top TSX Tech Stocks I'd Buy Right Now

Description

Pandemic-resilient tech stocks have been hot, and they're likely to continue leading the charge for the duration of this crisis. Mid-caps, including the likes of **Kinaxis** (TSX:KXS) and **Docebo** (TSX:DCBO), have been soaring thanks to the nature of their businesses. Such firms were in the right spot at the right time, and if you're light on firms that can exhibit strength amid these uncertain times, I still think both names are worthy of adding, even at today's heights.

Value investors may be reluctant to pull the trigger on stocks at or around their all-time highs. Still, if your asset allocation doesn't properly balance the risks brought forth by COVID-19, I'd say it can't hurt to get some skin in the game today, as you look to buy more shares in the event of a broader market pullback, which is more than likely going into year's end.

If you've got the cash, I'd look to buy a quarter position today, with the intention of putting the remaining three quarters in should either stock be headed towards their longer-term support levels. Without further ado, let's have a closer look at each name to see which, if either, is right for your portfolio.

Kinaxis

Kinaxis is a cloud stock that offers a value-adding software platform to help its clients untangle the complicated mess that is the supply chain. The COVID-19 crisis has caused supply chain imbalances across various industries, making the demand for Kinaxis's offering that much higher. The company is riding pretty high on pandemic tailwinds. The crisis has not only acted as an accelerant to Kinaxis's business, but it's also putting the name and its niche offering on the map.

Management hiked its total revenue guidance for the year following the release of its second-quarter results. Kinaxis has ample room for its margins to run amid this crisis, and with a rock-solid balance sheet, the firm has the financial flexibility to put its foot on the gas as far as growth initiatives are concerned.

At just shy of 20 times sales, Kinaxis isn't a cheap TSX tech stock, but it's one worthy of nibbling on, as shares still look modestly undervalued here given the highly favourable environment that lies ahead.

Docebo

Docebo is an e-learning sensation that exploded onto the scene this year. The company is a dominant force in the niche Learning Management System (LMS) industry, which has been given a massive boost amid the pandemic. Although Docebo is still a little-known mid-cap, it boasts an impressive client roster that will continue to grow at a rapid rate through and after this crisis.

Docebo stock is quite pricey at 23.4 times sales at the time of writing. Given the firm has a pretty wide moat around its offering, with AI-leveraging technologies, I think the stock has way more room to run, as many organizations are just beginning to learn about the Docebo and the potential value it can add amid the continued rise of the work-from-home movement.

Having nearly quintupled from its March lows, I'd be cautiously optimistic on the TSX tech stock and look to scale into a position gradually over time, rather than going all-in at any one price. Docebo is the real deal, and it's one of the growthier stocks to own if you think the pandemic isn't going to end anytime soon.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:KXS (Kinaxis Inc.)

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