3 High-Growth Tech Stocks That Can Make You Rich

Description

The technology companies have created significant wealth for their shareholders this year. The **S&P/TSX Capped Information Technology Index** is up over 37%. The pandemic has fastened the digitization process, thus driving the need for the products and services developed by the tech companies. So, I believe the following three technology stocks can deliver multi-fold returns over the long run.

Kinaxis

The surge in e-commerce sales and globalization of supply chains has increased the complexities for logistic companies, driving the demand for **Kinaxis's** (TSX:KXS) products. Yesterday, the company, which provides supply chain management solutions, reported an impressive third-quarter performance.

Driven by a strong performance from its SaaS and professional services segments, its top-line grew 17%. However, its revenue from subscriptions declined by 68%, as some of its consumers failed to renew their subscriptions. Its adjusted EBITDA declined by 16.2% to US$10.1 million due to lower gross margins and increased expenses related to its acquisitions.

Boosted by its year-to-date sales growth and growing backlog, Kinaxis's management increased its guidance for this year. The strong top-line growth and increase in guidance led the company's stock price to rise by 4.8% yesterday. Year-to-date, the company has returned 118.2%.

However, the rally in Kinaxis's stock price could continue, given its strong sales pipeline, high customer retention, and acquisitions. In the third quarter, the company completed the acquisition of Rubikloud, which provides artificial intelligence-based solutions to CPG companies.

Docebo

Docebo (TSX:DCBO) is a small-cap tech company, which operates in a niche Learning Management System (LMS) market. Utilizing artificial intelligence, the company has created highly configurable learning platforms to enhance users' learning experience.

In the first two quarters of this year, its revenue has increased by over 50%, driven by increased adoption rate and higher average contract value. At the end of the quarter, the company had over 2,040 customers, including several blue-chip companies. Further, the company's revenue from recurring sources has increased from 83% in 2017 to 92% in the second quarter of 2020.

Meanwhile, Docebo will report its third-quarter performance before the market opens on November 12. I expect the adoption rate to increase in the third quarter as many people preferred to work and learn from their homes amid the pandemic. The company has returned close to 220% for this year. However, given its growth potential, I expect the company's stock to double over the next three years.

Dye & Durham

Dye & Durham (TSX:DND), which went public in July, provides cloud-based solutions to improve the efficiency of legal and business professionals. The company focuses on developing innovative products, expanding its customer base, and acquisitions to drive its financials.

Since 2013, the company has made over 14 acquisitions and currently has over 25,000 clients. The company also has a low churn rate of around 2%, while its top 100 clients have an average tenure of 16.6 years, which is encouraging.

In its fiscal 2020, which ended in June, Dye & Durham's revenue grew 49% to $65.5 million, while its adjusted EBITDA increased by 39%.

Further, Dye & Durham's management projects its addressable market in Canada and the United Kindom to be $1.1 billion and $900 million, respectively. So, the company has immense potential to expand its business. Since its IPO, the company has returned over 208%. Meanwhile, the company can deliver multi-fold returns over the long run, given its strong growth potential.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:DND (Dye & Durham Limited)
3. TSX:KXS (Kinaxis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date
2025/07/07
Date Created
2020/11/05
Author
rnanjapla