



Canadian Investors: These 3 Tech Stocks Can Make You Rich

Description

Who says you can't get rich from investing in the stock market, even with a global pandemic wreaking havoc across the globe? It won't be easy, but that doesn't mean it's impossible, especially considering what we've witnessed from a handful of tech stocks over the past 10 months.

It has been a down year for the Canadian stock market, but that hasn't stopped the tech industry from [crushing the returns](#) of most other industries. The **S&P/TSX Composite Index** is down 5% since the beginning of the year, but I've covered three tech stocks that are all up much more than that.

Kinaxis stock

Year to date, **Kinaxis** ([TSX:KXS](#)) has grown an impressive 80%. Not only that, the tech stock held up extremely well during the market crash earlier this year. While the Canadian market dropped close to 35% in just one month earlier this year, Kinaxis stock only saw a drop of 20%.

The software company has seen a massive spike in demand for its services as a result of dramatic changes in consumer shopping behaviour this year. The pandemic has changed how often consumers were shopping and where they were shopping. As a result, supply chain operations for businesses across the country have struggled to keep up. That's where Kinaxis comes in.

The tech company develops software specifically for supply chain operations. The software can help with the entire supply chain management process. Not only does Kinaxis develop the software, but it can also help with the implementation, configuration, and individual employee training.

One similarity between the three stocks I've covered is that valuations are far from cheap. Growth like that of which these stocks have seen over the past 10 months does not come cheap, so you'll need to pay up to own a stock with the potential to deliver this kind of growth.

Kinaxis trades today at a price-to-sales (P/S) ratio of 20.

Docebo stock

Docebo ([TSX:DCBO](#)) is another tech company that has experienced a huge surge in demand throughout the pandemic. Similar to Kinaxis, this tech company is also in the business of developing software.

Docebo builds cloud-based software that powers training platforms for enterprise-level customers. The software is driven by artificial intelligence to be able to customize the training experience for each individual user.

The boom of employees working from home as a result of the pandemic this year has led Docebo stock to being up more than 200% since the beginning of 2020, and up more than 300% since the beginning of April.

Docebo trades at a very expensive P/S ratio of 30 today. Growth like that of which Docebo has seen since this year does not come cheap.

Lightspeed POS stock

This most expensive of the three tech stocks, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)), trades at a P/S ratio of close to 40 today.

Lightspeed POS might only be up 25% since the beginning of 2020, but it's rallied more than 200% since April of this year.

The tech stock [presented its quarterly earnings](#) last week, where it reported a year-over-year growth of 45% in revenue. In addition to that, total customer locations grew 68% year over year and now totals more than 80,000 locations.

The e-commerce industry is only expected to grow over the next decade, and Lightspeed POS in a prime position to do exactly the same.

Foolish bottom line

None of these three stocks are considered a bargain at these prices. They're all trading at high valuations not only because of the growth each has experienced this year but also due to the growth that is expected over the next several years.

If you have time on your side and are not a risk-averse investor, consider adding one of these tech stocks for the potential of earning market-beating growth.

CATEGORY

1. Investing
2. Tech Stocks

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2. docebo stock
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7. Lightspeed POS
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TICKERS GLOBAL

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

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