



2 TSX Tech Stocks That Are Better Than Shopify (TSX:SHOP)

Description

Shopify dominates the tech sector in multiple ways. It's the most massive security by market cap and is rightfully considered one of the best growth stocks in the sector. But these honorifics come with a price — a hefty one. If we consider just the price-to-earnings ratio, it's the second most expensive security in the tech sector and overall. And it's not just expensive in its sector; it's brutally expensive compared to the whole **TSX**.

This is why it might be a good idea to look at some stocks that are neither as expensive and might have the same growth potential. Shopify's streak is [hard to beat](#), but one of the downsides of being as overvalued as Shopify is that it becomes much more difficult to rise further.

A lightning-fast stock

Lightspeed ([TSX:LSPD](#)) operates in a similar sphere as Shopify, but there are several differences. Shopify is focused more on providing the e-commerce tool a business so they can create their own online store and establish a digital presence. Lightspeed started as a POS system for small to medium-sized retail businesses. But now, both have diversified into each other's "product" territory.

Lightspeed would be a fantastic stock, especially if you bought it right after it crashed. In about half a year, the stock has grown way past 300%. This one-of-a-kind recovery makes it an ideal stock to buy if the market crashes again.

While the stock is a little too hot to buy now, it still has a lot of growth potential. The company has been growing its yearly income at an incredible pace and has a solid balance sheet. You may want to wait for the stock to settle down a bit before buying. Better yet, buy it in the next crash.

A security and data-risk management company

Absolute Software ([TSX:ABST](#)) provides a highly relevant service in today's data-driven market: data security. It secures your data, all the devices that are part of your network, and all the

applications/software your business uses. The company offers end-point resilience solutions and offers protection to the work network and devices, even when used remotely.

This year has been great for the company's growth. It was on the rise before the crash as well but really [picked up pace](#) after the crash. Some of it was due to the tech sector, attracting a lot of investor attention, and some of it was the company's product line and business model.

Foolish takeaway

Right now, most tech stocks are propped up on the investor sentiment around the market crash, which propelled the whole sector upwards. There are plenty of good tech stocks available, but they might not offer excellent buying opportunities from a valuation standpoint. But if another market crash is on the horizon, these stocks might normalize a bit and become attractively valued.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:ABST (Absolute Software)
3. TSX:LSPD (Lightspeed Commerce)

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Date

2025/07/05

Date Created

2020/12/01

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