



The 2 Best Canadian Tech Stocks I'd Buy With \$100 for 2021

Description

Canadian tech stocks delivered outsized gains in 2020 and handily outperformed the broader markets. While top TSX tech stocks went through the roof, I believe the rally in a few [could continue](#) in 2021.

The positive secular industry trends, structural shift towards the omnichannel platform, acquisitions, and a large addressable market provide ample growth opportunities. Moreover, you need just \$100 to buy any of these two top Canadian tech stocks.

Lightspeed POS

As e-commerce sales continue to surge, the rally in **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock could continue in 2021. Lightspeed is witnessing stellar demand for its digital products and services amid the rapid adoption of the cloud-based omnichannel payment platform. Small- and medium-sized retailers and restaurant operators shift away from traditional payment platforms to meet the growing online customer demand.

While the structural shift in selling models presents a multi-year growth opportunity for Lightspeed, its recent acquisitions are likely to further accelerate its growth by expanding its reach into new geographies and adding new customer locations.

Lightspeed announced three acquisitions in 2020, including Gastrofix, ShopKeep, and Upserve, that is likely to expand its market share and position it well to capitalize on the growing demand for omnichannel payment platforms. Moreover, since May 2019, Lightspeed acquired six acquisitions that strengthened its presence in the North American retail and hospitality market.

Favourable industry trends, its high-quality and growing customer base, acquisitions, and ARPU expansion through new product launches are likely to support its revenues and margins and drive its stock higher.

Lightspeed stock has surged over 112% in one year and remains well positioned to deliver stellar returns from the current price levels.

Dye & Durham

Dye & Durham ([TSX:DND](#)) stock delivered excellent returns for its investors. Its stock has surged about 190% since it was listed on the exchange in July 2020. Meanwhile, the company's strong fundamentals and multiple growth engines position it well to deliver [outsized growth](#) in 2021.

Notably, Dye & Durham stock has witnessed a pullback in the recent past. Its stock is down about 15% in January 2021, reflecting the coronavirus's continued spread, which led to the lockdowns in several provinces. I believe the pullback in Dye & Durham presents investors with an opportunity to go long on this high-growth stock.

While courtroom closures could hurt Dye & Durham's prospects in the near term, I believe vaccine distribution and continued momentum in its base business should continue to drive its revenues and adjusted EBITDA in 2021 and support the uptrend in its stock.

Dye & Durham's diversified and blue-chip customer base, high retention rate, and long-term contracts should drive its top line. Meanwhile, its recent acquisitions are expected to further accelerate its growth rate by adding new customers and expanding its geographical footprint.

The continued strength in its base business, strong balance sheet, and robust M&A pipeline provides a solid base for Dye & Durham to deliver stellar returns in 2021.

Bottom line

An investment of \$1,000 in each of these stocks six months back would now be worth \$5,540. While Lightspeed and Dye & Durham stock appreciated significantly in value, I believe both these companies' shares could continue to trend higher in 2021.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:DND (Dye & Durham Limited)
3. TSX:LSPD (Lightspeed Commerce)

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