



2 Top Tech Stocks to Buy Now

Description

The **TSX** posted a positive gain for 2020, even amid a global pandemic. Tech stocks were responsible for most of the market gains. Investors can't expect tech names to always beat the market like this, but the fast digitization of shopping, work, and entertainment that the pandemic has kicked into high gear will continue to reap rewards for many names in tech in 2021. **Nuvei** ([TSX:NVEI](#)) and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) are two top-performing tech stocks to buy now. While both stocks have soared strongly in 2020, more gains should be coming this year.

Nuvei

Nuvei is Canada's first non-bank electronic payment processor. This technology of great complexity came just as the endless health crisis forced millions of merchants and shopkeepers to acquire online transactional capacity. Nuvei is among the best tech stocks to buy now for its strong growth potential.

In 2018, the SME acquired three small companies, then in 2019, it bought the British SafeCharge for US\$890 million. This transaction doubled its turnover and allowed it to enter the very fruitful niches of legal online gambling and financial services to consumers via the internet. And then, in 2020, Nuvei got its hands on the Dutch Smart2Pay — a transaction estimated at US\$300 million — which gave it access to 13 very lucrative European national markets.

Nuvei now has 800 employees and 14 offices around the world and processes electronic payments for 50,000 customers. The company processes US\$35 billion in transactions annually and generate revenues of over \$300 million. Revenues are expected to increase by 27.5% in 2021 to more than \$458 million.

During an initial public offering (IPO) in September 2020, its shares soared in a few hours to reach the sum of US\$833 million — Nuvei thus [set a Canadian record](#) for a high-end tech company at the time of its listing on the TSX. Shares have soared more than 50% since its IPO. Its market cap is close to \$10 billion.

Shopify

Shopify helps businesses connect by building e-commerce websites and managing related services. The COVID-19 pandemic has helped accelerate Shopify's business as customers have increasingly turned to the internet to purchase products and more small businesses are also investing in building online stores using the solutions from Shopify.

Shopify has two sources of revenue: subscriptions, which give users access to its e-commerce platform and tools, and merchant services, which include payments, shipping, and funding. Shopify's revenue has grown from around US\$673 million in 2017 to around US\$2.46 billion in the past 12 months — growth of around 265%.

Shopify is one of the top tech stocks to buy now due to strong expected growth. The company's revenue is expected to grow by 81% in the current fiscal year to US\$2.86 billion, due to COVID-19-related demand for its subscription and merchant services. In addition, revenues are expected to reach around US\$3.8 billion next year.

[Shopify can support this level of growth](#) and possibly generate additional gains for investors. Indeed, Shopify's addressable market is growing rapidly, as more businesses go online, and the company's offering is also highly scalable, allowing it to acquire customers seamlessly.

Plus, Shopify is positioning itself as a merchant-friendly alternative to **Amazon**, which is seen as competing with sellers on its platform. Shopify is also evolving in the fulfillment market while providing financing and payment solutions.

Shopify stock has soared by more than 40% over one year. Its market cap is close to \$200 billion.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

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2. TSX:NVEI (Nuvei Corporation)
3. TSX:SHOP (Shopify Inc.)

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Date

2025/08/25

Date Created

2021/02/05

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