



## Next Shopify! 1 High-Growth Canadian Tech Stock to Buy in 2021

### Description

**Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) has emerged as the most popular Canadian tech firm. The COVID-19 restrictions forced more businesses than ever to improve their online presence. As a result, the demand for Shopify's cloud-based multichannel commerce platform skyrocketed last year. The company reported an 82% year-over-year surge in its sales in the first three quarters of 2020 combined to US\$1.95 billion. It helped Shopify stock to post more than 170% annual gains for the second consecutive year.

Shopify will announce its latest quarterly results next week on February 17. Street analysts expect its outstanding sales growth rate to remain intact in the Q4. While Shopify's near-term growth prospects are still great, these positive expectations are already priced in its stock, I believe.

That's why I started looking for another **TSX** tech stock that has the potential to beat Shopify in the medium to long term if I buy today. Here's what I found.

### Real Matters stock

**Real Matters** ([TSX:REAL](#)) is a Thornhill, Ontario-based tech company focused on the mortgage lending industry. The United States is its largest single market. In the fiscal year 2020, over 90% of its revenue came from the U.S. appraisal, title, and closing services segments.

The demand for its network management services remained strong last year despite the global pandemic-related headwinds. Apart from its proprietary technology, Real Matters' large team of independent qualified field professionals help it provide flawless services to the mortgage lending and insurance industries.

### Solid financials

Real Matters [registered](#) a solid 72% jump in the U.S. title segment revenue in fiscal 2020, while its appraisal segment sales in the country rose by 33%. As the U.S. house sales, mortgage, and

insurance industries continue to grow at a fast pace, its fiscal 2021 sales growth could strengthen further.

Real Matters' solid sales figures — like Shopify — continue to surprise Street analysts, quarter after quarter. Notably, Real Matters has been crushing analysts' consensus sales estimates for the last nine quarters in a row.

## Next Shopify

I consider Real Matters stock to be a great buy at its current market price of \$17.88 per share. Its sales growth trend has just started picking up. It could even multiply faster in the coming quarters as the [economy continues to recover](#) from the COVID-19 related damage.

In four years between fiscal 2017-2020, Real Matters' adjusted net profits have shown remarkable growth and jumped by nearly 1,700%. In the last couple of years, its net profit margin has expanded from 8.1% to 30.5% — showcasing rapidly improving profitability.

These are the reasons why its stock rose by 482% in 2019-2020 combined, while Shopify's stock rose by 661% during this period.

## The bottom line

When investing in stocks, we must pay attention to our timing. If a business is already overvalued, you can't expect its stock rally to continue for long. Real Matters' recent robust sales and profitability growth and its enormous future growth potential could soon trigger a long-term rally in its stock. That's why it could be the right time to invest in it.

### CATEGORY

1. Investing
2. Stocks for Beginners
3. Tech Stocks
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### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:REAL (Real Matters Inc.)
3. TSX:SHOP (Shopify Inc.)

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