3 Tech Stocks That Will Make You Richer in March (and Beyond!)

Description

In a volatile environment, it is difficult to identify stocks that will beat the broader markets on a consistent basis. The equity markets have been under the weather since the last week of February, as rising interest rates worried investors. This ignited a sell-off primarily in the technology sector where stocks were trading at a premium.

However, every stock market correction also provides investors an opportunity to buy companies at a lower valuation. We'll look at three such tech stocks that are poised for a rebound.

Alphabet

The first stock on the list is technology heavyweight **Alphabet** (NASDAQ:GOOG)(NASDAQ:GOOGL). It is, in fact, one of the few tech companies that has held its own amid the sell-off. In the fourth quarter of 2020, Alphabet reported sales of US$57 billion and a net income of US$15 billion. It ended 2020 with $137 billion in cash reserves underlying its financial strength.

As the economy returns to normalcy, Alphabet stock should gain momentum in a post-pandemic world. The shift towards digital advertising should accelerate in the upcoming decade as enterprise spending increases in the long run. Google also launched YouTube shorts in the U.S., which makes it a direct competitor to TikTok, another popular video-sharing application.

Alphabet stock is currently trading at US$2,061. Comparatively, Wall Street has an average price target of US$2,261, which is 10% higher than its current trading price.

Docebo

Another company that should be on your buy list this month is enterprise-facing e-learning company **Docebo** (TSX:DCBO)(NYSE:DCBO). The stock is trading at $57.93, which is 33% below its record high.

Docebo just released its Q4 results and reported sales of US$18.8 million, which was a year-over-year growth of 53%. Its subscription sales rose 49% to US$16.7 million, accounting for 89% of total revenue.

The company's gross profit was $15.8 million in Q4, indicating a healthy margin of 84%. In the December quarter, Docebo's net loss stood at US$3.7 million, or US$0.12 per share, which was similar to the figures in the prior-year period.

Docebo's adjusted EBITDA stood at $0.5 million compared to a loss of US$1 million in Q4 of 2019. Its cash flow from operations rose to US$7 million while free cash flow was US$6.6 million.

Company co-founder and CEO, Claudio Erba said, "The consistency of our organic sales growth in 2020 with 57% year over year growth in ARR and 54% year over year growth in subscription revenue, alongside positive free cash flow generation, puts us among a select group of the fastest growing global SaaS companies and demonstrates the strength and resiliency of our business model."

Lightspeed POS

When it comes to investing in tech stocks, it is difficult to ignore Canada's fintech giant **Lightspeed POS** (TSX:LSPD)(NYSE:LSPD). This stock is trading at $86, which is 17% below its record high. LSPD has returned an astonishing 400% since it went public two years back. This means a $1,000 investment in Lightspeed IPO would have returned $5,000 today.

Lightspeed is forecast to grow its sales by 73.7% to US$209.6 million in fiscal 2021 and by 70.2% to US$356.66 million in 2022. The company's focus on accretive acquisitions, its expanding addressable market, and potential for expansion in international regions make it a top stock to buy and hold right now.

CATEGORY

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TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
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3. NASDAQ:GOOGL (Alphabet Inc.)
4. NYSE:LSPD (Lightspeed Commerce)
5. TSX:DCBO (Docebo Inc.)
6. TSX:LSPD (Lightspeed Commerce)

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