



4 Top Tech Stocks That Could Deliver Superior Returns in 2021

Description

Amid falling bond yields and substantial job numbers in the United States, technology stocks are witnessing an increased buying over the last few days. Given the renewed interest in technology stocks, here are four top Canadian tech stocks you could buy right now to earn superior returns in 2021.

Shopify

The concerns over its high valuation and the normalization of e-commerce growth in 2021 amid the vaccination drive led **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock to lose significant value compared to its February highs. However, amid the renewed buying in technology stocks, the company's stock price has increased by over 11% in the last six trading days.

Meanwhile, I believe the uptrend will continue given the favourable industry trend and Shopify's investment in growth initiatives, such as Shopify Fulfillment Network and Shop App. Further, the expanding addressable market, growing customer base, international expansion, and increased adoption of its multi-currency payment solutions platform could drive its financials, supporting its stock price growth.

Lightspeed POS

Like Shopify, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) has lost a significant value over the last few weeks and is trading 18.5% lower than its February highs. The shift towards omnichannel solutions and increased adoption of online shopping has created a long-term growth potential for Lightspeed POS. Given its increasing customer base and innovative new product launches, the company is well positioned to benefit from the expanding addressable market.

Apart from organic, the company also focuses on acquisitions to strengthen its market share and penetrate newer markets. Meanwhile, it has also strengthened its balance sheet by [raising US\\$676.2 million](#). These proceeds could fund the company's growth initiatives and also future acquisitions. So,

given Lightspeed's healthy growth prospects, I believe the correction [provides an excellent entry point](#).

Constellation Software

Constellation Software ([TSX:CSU](#)) had delivered close to 4,400% returns over the last 10 years. This year, the company's stock price is up by 7.9%, supported by its impressive fourth-quarter performance. The company's top line grew 14% during the quarter, while its adjusted EPS increased by 61.8%. Accretive acquisitions had contributed to the company's financial growth.

Meanwhile, I believe the uptrend to continue, given the increased demand for its services amid digitization. Constellation Software also earns significant revenue from public sector customers, which shields its financials from economic downturns. The company also focuses on acquiring companies that operate in niche markets, thus maintaining its margins. Further, the company has announced to trim or stop its dividend payouts to utilize the cash to make more significant acquisitions. So, the company's growth prospects look healthy.

Docebo

My final pick would be **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)), which provides highly configurable corporate e-learning solutions. With many employees working from their homes amid the pandemic, the demand for the company's products rose, driving its stock price higher. However, the expectation of life and businesses returning to pre-pandemic ways amid the ongoing vaccination drive had led to a correction in the company's stock price. Currently, the company trades over 44% lower from its December highs.

Meanwhile, I believe the demand for Docebo's products could sustain, as many businesses are adopting digital learning tools to upskill their employees due to their convenience and cost effectiveness. Further, its growing customer base, increasing average contract value, and new product launches could also support its growth.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:DCBO (Docebo Inc.)
6. TSX:LSPD (Lightspeed Commerce)
7. TSX:SHOP (Shopify Inc.)

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