



3 Canadian Tech Stocks That Are Beating Their American Peers

Description

It's been a great year for Canadian tech stocks. **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)) is fresh off its first quarter earnings beat, which propelled it 10% higher in a single trading day. Shopify's gains seem to have ignited similar rallies in other Canadian tech stocks, which also rose Wednesday despite weakness in North American tech (as measured by the NASDAQ) on that day.

In this article I'll explore three Canadian tech stocks that have been beating their American peers in the markets—starting with the most obvious, Shopify.

Shopify

Shopify is the biggest star of the [Canadian tech scene](#) in 2021. In its most recent quarter, it posted 110% revenue growth and 1,000% growth in adjusted earnings. Its GAAP earnings came in at a massive \$1.3 billion. Shopify's first quarter beat came after three prior quarters that also saw stunning growth. In each of the second, third and fourth quarters, Shopify's revenue grew by 90% or more. It was an incredible performance — made all the more impressive by the fact that most businesses were struggling at the time. 2020 witnessed an economic downturn that forced retail businesses to shut down and airlines to cut 90% of their routes.

Shopify's success in this environment was truly remarkable, and the company has been rewarded for it in the stock market: up 101% over the last 12 months, it has easily beaten the NASDAQ.

Lightspeed POS

Lightspeed POS Inc ([TSX:LSPD](#))([NYSE:LSPD](#)) is a Canadian POS company that offers e-commerce solutions. Much like Shopify, it helps vendors process sales. It started out differently though. Initially, Lightspeed only developed tablet-based retail sales solutions for businesses. However, it later branched out into online store software—which proved immensely valuable when COVID-19 hit. In the first quarter, LSPD's [eCommerce GTV surged 100%](#), compared to 17% for the business as a whole.

It was the same story in the most recent quarter, when eCommerce GTV rose far more than overall GTV. In the same quarter, revenue grew 79% year-over-year. On the strength of results like these, LSPD stock has risen 226% in a 12 month period.

Docebo

Docebo Inc ([TSX:DCBO](#)) is a learning management system (LMS) that helps companies deliver training modules online. In the age of COVID-19, such software is extremely valuable. Just like employees sometimes have to work from home, they sometimes have to be trained at home too. And it's this niche that Docebo fills. Providing easy software to create and deliver self-directed learning modules, it makes it possible to train employees wherever they are in the world.

It looks like the idea is catching on. In its most recent quarter, DCBO's revenue grew by 53%. In the same quarter, it had \$7 million in operating cash flow, and \$6.6 million in free cash flow. That a new startup has become cash flow positive so early is an encouraging sign.

The company also posted \$700,000 in positive net income in a recent quarter. The most recent quarter saw a net loss, but the positive cash flow metrics were very encouraging. Thanks to these strong results, DCBO has risen 124% in the last year—much better than the **NASDAQ** in the same period.

CATEGORY

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2. Tech Stocks

TICKERS GLOBAL

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

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