



## TSX Stocks to Buy: 2 Battered Canadian Gems That Look Really Attractive Right Now

### Description

The **TSX Index** has steadily [climbed higher](#) into mid-May, but in the background, a vicious rotation out of high-growth Canadian gems has been going on, thanks in part to inflation jitters and Fed doubters. While another inflation scare could accelerate losses in unprofitable growth stocks, I think those who were waiting for a pullback in such names shouldn't feel obliged to lower the bar with the growth stocks on their radars. Yes, there's more volatility, but to help smoothen a rockier road ahead, one can incorporate dollar-cost averaging.

In this piece, we'll have a look at two battered, high-growth TSX stocks to buy (or at least start scaling into) today.

### TSX stock to buy #1: BlackBerry

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) had its brief moment in the [spotlight](#), thanks to the crowd of “degenerates” at WallStreetBets. Fast forward to today, and the stock has crashed back to Earth, and many investors have moved on to sexier things. Analysts are not at all bullish on BlackBerry stock, even after its nasty 40% slide. Many analysts aren't itching to buy the dip, with RBC Capital analyst Paul Treiber being the latest analyst to reiterate a “sell” recommendation on the name.

In prior pieces, I'd highlighted that BlackBerry was a company that begged for investor patience. There is a lot of moving parts in the transformation play. With acquisitions, patent sales, and new project initiatives like the **Amazon.com** collaboration on project IVY, BlackBerry became that much harder to evaluate.

BlackBerry has yet to prove that it can post meaningful organic growth. And until it does, most investors would be wise to follow analysts by taking a raincheck on the transformation play. If you've got an iron stomach and are willing to suffer through years of continued underperformance, though, only then would I recommend buying BlackBerry stock, as it continues dragging its feet.

## #2 TSX stock to buy: Docebo

**Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) was a huge winner in 2020, and I think it'll keep on winning through this brutal growth-focused sell-off. High-multiple tech stocks riding high on pandemic tailwinds haven't fared too well in recent weeks. While there's no telling when Docebo stock will bottom after this growth-focused sell-off, I do think dip-buyers should start buying while the name falls out of favour. If this "transitory" inflation pulls back, it's the unprofitable hyper-growth stocks that could be made great again.

Despite recent weakness in the stock, Docebo is showing no signs of slowing down. The company recently came off some pretty strong first-quarter earnings results. Annual recurring revenue (ARR) surged to \$9.4 million, with plenty of new subscriber adds, including the likes of fellow Canadian tech company **Lightspeed POS**.

With new products on the way, Docebo has a world of upselling opportunities that could be a major driver of ARPU (average revenue per user) over the next few years. For a fast-growing SaaS company, you can expect to pay a pretty penny. At just north of 21 times sales, though, I find Docebo to be one of the cheaper hyper-growth options out there. While I expect the name will be punished in a latter-year inflation or rate scare, I think that such a pullback will bring forth an excellent entry point for investors who missed the firm's incredible 2020 rally.

## Foolish takeaway

Docebo and BlackBerry are both under pressure. The former firm is firing on all cylinders, though, while the latter is coping with continued challenges that may be tough to overcome. BlackBerry is a deep-value tech stock that may not pay off until many years down the road. Although cheap, it's untimely. As such, Docebo seems to be the better TSX stock to buy for most investors. Docebo isn't cheap, but it's also not as expensive as most other SaaS companies growing their top line at a 50-60% rate.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:DCBO (Docebo Inc.)

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