



Tech Rebound: Best Stocks to Buy Right Now

Description

High-growth tech stocks were trading at aggressive valuations earlier this year. Since then, investors' excitement has tempered down. That means tech stocks are trading at better valuations and could be the best stocks to buy right now.

Here are my top two beaten-down tech stocks that should be on your radar in 2021.

Kinaxis

Kinaxis ([TSX:KXS](#)) has felt the full brunt of the tech stock correction. The stock is down by more than 20% year to date. However, the pullback doesn't reflect the company's underlying fundamentals. The company has made a name for itself as a cloud-based Software-as-a-Service (SaaS) provider. It offers supply chain management and operations planning solutions.

The COVID-19 pandemic rendered many supply chains a mess, triggering strong demand for Kinaxis's solutions. It reported impressive Q1 numbers, as revenues jumped 9% to \$57.7 million. During the quarter, Kinaxis won a record number of new customers leading to incremental subscription bookings. Some of the high-profile customers that Kinaxis serves include **Ford** and Nissan and consumer products giant **Unilever**.

The SaaS supply chain management company coming under pressure on easing COVID-19 disruptions does not mean supply chains won't remain under pressure. With demand expected to continue outpacing supply, Kinaxis remains well positioned to win new customers, leading to a further increase in subscription bookings.

Kinaxis's valuation

Kinaxis is not paying any dividends, because it's investing in growth projects. Last year, it acquired Rubikloud, adding machine learning and artificial intelligence capabilities to its supply chain platform. Investments made are expected to continue driving revenue growth, allowing the company to bounce back to profitability. Analysts expect the acquisition to drive growth higher in the year ahead.

Despite the recent pullback, Kinaxis is by no means cheap. The stock is trading with a price-to-sales multiple of 15 and a price-to-book multiple of 12. The high premium is a small price to pay, going by Kinaxis's long-term prospects as a reliable supply chain management solutions provider.

Kinaxis could be one of the best stocks to buy right now if you expect global trade and consumption to rebound strongly in 2021.

Nuvei

Nuvei ([TSX:NVEI](#)) is an interesting tech stock to watch. Unlike its rival in the payment-processing sector, Nuvei doesn't get much media attention. However, it's a larger company with more merchants on its network. It's also trading at a fairer valuation.

Nuvei stock is currently trading at a forward price-to-earnings ratio of 51, which is better than most tech stocks. Meanwhile, the company has significant growth catalysts lined up. The team is focused on [acquiring Mazooma Technical Services](#), which gives it a foothold in the sports betting and gaming sector in America. This should enhance payment volumes.

Payment volume is also likely to surge with the rebound in consumer spending throughout 2021. Nuvei's exposure to the economic rebound and the legalization of sports betting makes it one of the best stocks to buy right now.

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1. Investing
2. Tech Stocks

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2. TSX:NVEI (Nuvei Corporation)

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