



## Got \$3,000? 3 Top Canadian Tech Stocks to Buy and Hold for the Long Term

### Description

While the **TSX Index** pulled back ever so slightly last week, Canadian [technology stocks](#) actually got a nice boost. Since the start of the year, many of Canada's top tech stocks have lagged their cyclical and value stock peers. Yet it appears like Canadian tech stocks are starting to gain momentum again.

Certainly, many commentators are worried that highly valued tech stocks will be hit by inflation and rising interest rates. Yet I believe if you buy stocks that are transforming the world in some way, over the long term, you will be well rewarded.

Our world is rapidly and broadly becoming digital. Every Canadian needs to have exposure to these trends in some way. Considering this, here are three top Canadian tech stocks you can buy and hold for the very long term.

### A top Canadian e-commerce stock

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is one of Canada's best-known tech stocks. Just recently, it made two interesting acquisitions worth nearly US\$1 billion. These will help expand its ["digital-first" strategy](#) and broaden its range of e-commerce, digital marketplace, and supply chain capacities. To some extent, it helps position Lightspeed competitively against e-commerce giants like **Shopify**.

Lightspeed is looking to be a one-stop commerce shop for merchants. Whether it be in-store sales, merchandise management, online sales, or delivery streamlining, Lightspeed provides an all-encompassing business platform.

If anything, the pandemic proved that merchants need omni-channel sales strategies. Consequently, a wave of merchants are motivated to leave legacy sales systems and adopt more flexible digital platforms. Given that Lightspeed now has global scale and branding, this Canadian stock is positioned to broadly benefit from this transition.

## A leader in digital transformation

There have been many initial public offerings (IPOs) on the TSX this year. Yet, **Telus International** ([TSX:TIXT](#))([NYSE:TIXT](#)) stands out from many of the rest. When you hear “**Telus**,” you are likely thinking of TIXT's dividend-paying, telecom parent company. However, TIXT is totally a tech growth story.

One of its largest areas of expertise is digital customer experience. It helps large businesses utilize data to better cater digital content and services for their customers. If anything, the pandemic has made companies recognize the need to adapt digitally.

Consequently, Telus International has seen a strong surge in demand for its services. In its most recent quarter, it grew revenues year over year by 57% and adjusted EBITDA by 90%. This Canadian stock has yet to break beyond its initial IPO trading range. However, as TIXT proves its growth capacity, I believe the market will see this stock differentiated from its parent stock.

## A top Canadian logistics software stock

Speaking about digitizing an industry, **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) is doing just that in the paper-heavy supply-chain/logistics industry. Global supply chains are increasingly becoming complex due to tariffs, taxes, and regulations. Fortunately, Descartes provides specialty software, networks, and solutions to streamline logistics processes through the Cloud.

Given the essential nature of its business, around 90% of its revenues are recurring. This Canadian stock has been growing revenues by a three-year CAGR of 13%. However, adjusted EBITDA and net income have been growing annually by 23% and 29%, respectively.

As this business grows in scale, it is also becoming more efficiently profitable. Today, it has a cash-rich balance sheet. This should provide fuel to continue growing by acquisition. This Canadian stock is almost never cheap, so you have to pay up for its high-quality operating platform. Yet I believe time will prove it is worth it.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:TIXT (Telus International)
4. TSX:DSG (The Descartes Systems Group Inc)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:TIXT (Telus International)

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