



2 Rebounding Growth Stocks to Buy on the Way Up

Description

Tech and growth stocks took an [uppercut to the chin](#) in the first half. With rates settling down, though, some of the hardest-hit names are now in the process of bouncing back. **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) and **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) are just two rebounding growth stocks I'd look to buy amid the next leg of their rallies that could be a continuation of the incredible [strength](#) posted in 2020.

Docebo

Docebo was one of the hottest stocks of 2020. Shares of the Learning Management System software developer peaked in late 2021 before plunging over 40% from peak to trough.

Today, the tides have shown signs of turning in a big way, with the stock now up 45% from the bottom. Over the coming weeks and months, shares are likely to test their highs, and despite fading pandemic tailwinds, I think Docebo stock is likely to blast past its highs on the back of more strong quarters.

The work-from-home shift isn't going to end once the pandemic does. If anything, firms will need to update their digital infrastructure to stay competitive in a workforce that demands flexibility.

These days, people aren't afraid to quit their jobs. Confidence is high in the early innings of this economic expansion, and I do think the post-pandemic "hangover" in demand for Docebo's offering is greatly exaggerated.

Given this, I'm a big fan of the stock, even at these heights. At the time of writing, Docebo trades at just shy of 27 times sales. That's incredibly expensive, but like so many other high-growth Canadian companies (think **Shopify**), I don't think the multiple is as expensive as it could be if Docebo were to live up to the hype.

Under the leadership of its brilliant management team led by its CEO Claudio Erba, I not only believe that Docebo can live up to the high expectations of investors, but I think it has a good chance to exceed expectations as it did for most of 2020.

Lightspeed POS

Lightspeed POS is another top high-growth Canadian company that could have a long runway ahead of it. I pounded the table earlier last year, as shares endured a vicious and unforgiving meltdown, plunging over 70% at its worst.

To the shock and awe of many, Lightspeed stock blasted off to hit a new high at the speed of light (at least as far as stock rebounds from disastrous crashes go!).

Fast-forward to today and Lightspeed POS finds itself at a fresh all-time high. Recovering all of the ground lost from its 34% first-half correction induced by broader weakness across higher-multiple growth and tech names.

In prior pieces, I compared Lightspeed to the likes of Shopify. Unlike Shopify, however, Lightspeed is likely to get a boost as its clients recover from the coronavirus crisis. Many of Lightspeed's clients are going to recover as restrictions lift, and they'll eventually have more money to spend on Lightspeed's growing lineup of value-adding offerings.

The stock trades at north of 51 times sales, making it one of the most expensive stocks on the **TSX**. If rates climb, investors could face devastating downside. But for venturesome investors with strong stomachs, the potential gains from here may be well worth the potential for pain!

CATEGORY

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TICKERS GLOBAL

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

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