



## 3 Canadian Tech Stocks Posting Huge Gains

### Description

The **TSX** has delivered solid gains this year, rising 15.3% since the start of January. While the COVID-19 pandemic dealt Canadian stocks a severe blow, they have since recovered—and then some. If you invested \$10,000 in the TSX at the start of the year, you'd already be up \$1,160—and the year isn't even over!

But if you think the TSX has been doing well this year, some individual stocks have been doing far better. Especially tech stocks. After some choppiness in March and April, Canada's biggest tech companies are once again rising in the markets.

In this article, I'll explore three Canadian tech stocks that have been posting huge gains—both this year and over any other time frame you want to look at.

### Constellation Software

**Constellation Software** ([TSX:CSU](#))([NYSE:STZ](#)) is a diversified [tech holding company](#) that has risen an astonishing 10,000% since its 2006 IPO. This year, the stock is about matching the TSX's return, up 14.5% year-to-date compared to the 15% posted by the TSX. Not exactly a market beater *this* year, but a *huge* outperformer over the long run.

CSU's most recent quarterly report was a bit iffy, featuring a \$175 million net loss. On the flip side, cash from operations came in at \$495 million (up 37%) and revenue at \$1.17 billion (up 23%).

Overall, it was a mixed quarter. But CSU has a long history of growing its business while maintaining respectable profit margins and returns on equity. It may still be a stock worth considering today, even after all these years of gains.

### Lightspeed

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is another TSX stock that has been beating all the

relevant benchmarks. Up 25% year-to-date and 465% since its IPO, it has been handily outperforming the TSX.

Lightspeed's recent stock price gains have been well supported by its earnings. In its most recent quarter, Lightspeed's revenue grew 127%, its gross transaction volume (GTV) grew 76% and subscription revenue grew 137%. It was a similar story for the full year, with revenue up 84% and subscription revenue up 37%.

The COVID-19 pandemic was very kind to Lightspeed, sending its e-commerce revenue to new and unexpected heights. Now, with the pandemic ending, it has the potential to get back to usual and profit from the retail re-opening through its core POS platform.

## Shopify

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is one stock that most readers will be familiar with. It had a legendary Initial Public Offering (IPO) in 2015 and has risen 5,000% in the markets since then. This stock price momentum has been driven by real results in the underlying business.

Shopify consistently delivered revenue growth in excess of 90% in the last four quarters and posted positive GAAP earnings for 2020. eCommerce is a huge growth industry and Shopify's share of the industry is rapidly increasing.

Sure, there are risk factors for this company that investors have to be aware of — post-COVID revenue deceleration and [mounting competition](#) being just two of them.

Going forward, investors will have to weigh these considerations when choosing to buy or sell the stock. But there's no denying that it has posted absolutely phenomenal gains over the last six years.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. NYSE:STZ (Constellation Brands Inc.)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:SHOP (Shopify Inc.)

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