Got $3,000? 3 Top TSX Stocks to Buy in July 2021

Description

The recent success of **Shopify** has accelerated the interest in growth stocks for Canadian investors. Investing in high-growth companies can increase the value of your portfolio at an exponential rate. Alternatively, growth stocks also carry significant risks due to their high beta, steep valuations, and vulnerability in a broader market selloff.

In the last few years, several Canadian tech stocks have managed to crush the TSX and derive market-thumping returns. We'll look at three such growth stocks that should be on your radar right now.

Lightspeed POS

Shares of fintech giant **Lightspeed POS** (TSX:LSPD)(NYSE:LSPD) went public in March 2019 and have since returned a monstrous 466%. The company continues to expand its top line at a stellar pace via accretive acquisitions. In the fiscal Q4 of 2021 ended in March, Lightspeed sales more than doubled to US$82.4 million. After accounting for acquisitions, its revenue growth was an impressive 48% year over year. In fiscal 2021, LSPD sales rose to US$222 million, up from US$121 million in fiscal 2020.

Lightspeed offers a cloud-based platform that allows retailers and restaurants to manage operations, accept payments and improve customer engagement rates. The company's customer base stood at 140,000 in 2021, up from 76,500 in 2020. Further, its gross transaction volume stood at US$11 billion, up 76% year over year in fiscal 2021.

Docebo

The next growth stock on the list is **Docebo** (TSX:DCBO)(NYSE:DCBO), a company that provides a cloud-based enterprise learning platform. Docebo transitioned towards a SaaS (software-as-a-service) platform in 2012 and is one of the pioneers in the e-learning space.

Docebo sales have risen from US$17 million in 2017 to US$63 million in 2020. Comparatively, its operating loss has narrowed from US$8 million in 2018 to US$5.5 million in 2020.

Docebo ended Q1 with US$217 million in cash, which means it has enough liquidity to improve the bottom line in the upcoming quarters.

Docebo's customer base stood at 2,333 while average contract value per customer rose from $28,454 to $35,739. It also signed a customer agreement with Lightspeed POS recently.

Bay Street expects Docebo sales to rise by 53.8% to US$96.8 million in 2021 and by 36% to US$131.34 million in 2022. This solid growth will allow the company to narrow its loss per share from US$0.26 in 2020 to US$0.11 in 2022.

Dye & Durham

The final growth stock on my list is **Dye & Durham** (TSX:DND), which provides cloud-based software and technology solutions to improve the efficiency and productivity of legal and business professionals. The company has operations in Canada, the U.K., Ireland, and Australia. It has a blue-chip customer base that includes law firms, financial institutions, and governments.

In its most recent quarter, the company's sales were up 300%, while EBITDA rose 267% year over year. DND's management confirmed it will acquire the company and has partnered with a group of shareholders to bid $3.4 billion for the buyout. Dye & Durham stock is currently valued at a market cap of $3.22 billion and could gain pace if the final bid amount moves higher.

CATEGORY

1. Investing
2. Tech Stocks

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TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:DCBO (Docebo Inc.)
4. TSX:DND (Dye & Durham Limited)
5. TSX:LSPD (Lightspeed Commerce)

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