



## The 3 Best TSX Tech Stocks I'd Buy Right Now

### Description

Tech stocks continue to trend higher, despite their premium valuation and expected normalization in growth rates on an economic reopening. Notably, [technology stocks](#) continue to benefit from the sustained momentum in demand amid the continued digital transition.

As the momentum extends to 2021, I am bullish on three Canadian tech companies that could continue to deliver strong financial and operating performances and outperform the benchmark index.

### Shopify

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a top stock in the tech space that has consistently delivered sky-high returns. To be precise, shares of this e-commerce company have appreciated over 59% in one year and by 777% in three years. Furthermore, it jumped 6,261% since its IPO in May 2015. Following the selloff in tech stocks at the beginning of this year, Shopify reversed some of its gains. However, it rebounded and gained over 44% in three months.

I expect the momentum in Shopify's business to sustain amid the ongoing transition towards digital platforms. Market share gains, the addition of high-growth sales and marketing channels, and new product launches could drive Shopify's gross merchandise volumes, merchant base, and monthly recurring revenues. Furthermore, growing spending on e-commerce platforms, rapid adoption of its payment solutions, and operating leverage augur well for growth.

### Docebo

**Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) is another stock in the tech sector with solid growth potential. Shares of the corporate e-learning platform provider have gained over 402% since its IPO in October 2019. However, valuation concerns, economic reopening, and expectations of a moderation in growth in the post-pandemic world dragged its stock lower in 2021. Nevertheless, Docebo stock witnessed strong buying in the recent past and has risen over 32% in three months. I believe the uptrend could continue owing to its consistent financial performance.

Notably, Docebo's annual recurring revenues are increasing rapidly, while its average contract value has grown significantly. I expect its recurring revenues to continue to grow, reflecting continued strength in OEM sales and customer expansion. Further, its large addressable market, strong customer growth, higher retention rate, large deal size, new OEM contracts, productivity savings, and improving efficiency are likely to push up Docebo stock.

## Lightspeed

The third stock on my list here is **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). The commerce-enabling company has grown at a brisk pace and has delivered [strong returns](#). Notably, Lightspeed stock has grown over 484% since it got listed in March 2019. The solid growth in its stock reflects the growing adoption of digital platforms and the rapid shift towards omnichannel payment solutions. Despite the economic reopening, the stock is likely to trend higher owing to the higher demand for its digital offerings, growing customer base, accretive acquisitions, and expansion into high-growth markets.

Notably, Lightspeed's revenues have been growing rapidly, and I expect the momentum to sustain, reflecting benefits from acquisitions, the addition of new customers, global expansion, and new product launches. Meanwhile, increased adoption of its additional modules, higher average revenue per user, and growing recurring subscription revenue bode well for future growth. Overall, momentum in its base business and accretive acquisitions are likely to drive Lightspeed's financial and operating performance and support the uptrend in its stock.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

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

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