



4 of the Best TSX Tech Stocks to Buy in August 2021

Description

Despite stretched valuations and expected normalization in growth rate amid economic reopening, Canadian tech stocks continue to attract investors, thanks to their rapid growth.

For instance, Canadian tech giant **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) recently delivered solid Q2 results, wherein its revenues jumped 57%, and its adjusted earnings more than doubled. It continued to benefit from increased adoption of its retail POS, higher spending on e-commerce platforms, and its growing merchant base.

While Shopify expects its growth to moderate a bit as a portion of consumer spending would roll back to physical retail, the continued momentum in its business could continue to [drive its financials](#) and, in turn, its stock price in the coming years.

While I am bullish on Shopify, a few more players in the tech space continue to attract me and are poised to deliver superior returns in the medium to long term. Besides Shopify, let's delve deeper into four such tech stocks that you consider adding to your portfolio right now.

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) has delivered strong returns in the past and is up over 189% in one year. Despite the rally, I expect the uptrend in its stock to sustain on the back of continued demand for its digital products and services amid the continued shift in selling models towards the cloud-based omnichannel platform.

The company's growing recurring subscription revenues, global expansion, and strong momentum in its base business provide a solid base for growth. Meanwhile, its focus on accretive acquisitions, growing customer base, up-selling opportunities, multiple product adoption by existing customers, and expansion in the high-growth markets are likely to accelerate its growth and drive its stock higher.

Docebo

Docebo ([TSX:DCBO](#))([NASDAQ:DCBO](#)) has delivered stellar returns of about 446% since its IPO in October 2019. Meanwhile, I believe this corporate e-learning platform provider has solid growth potential, even in the post-pandemic era, thanks to its growing average order value, increased customer base, and solid annual recurring revenues.

I believe the continued growth in OEM sales and customer expansion should drive its recurring revenues in the coming years. Further, its large addressable market, higher retention rate, new OEM contracts, large deal size, productivity savings, and operating efficiency will likely cushion its profitability and drive Docebo's stock price higher.

Absolute Software

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) is another tech stock that has witnessed solid buying during the pandemic. I expect the uptrend in its stock to continue owing to the favourable industry trends.

Notably, the company's annual recurring revenues are growing well and have accelerated over the past several quarters. Furthermore, its adjusted EBITDA has consistently grown at a double-digit rate, which is impressive. I expect the trend to sustain, reflecting global and channel expansion, customer growth, cross-selling opportunities, large addressable market, and high retention rate.

Dye & Durham

Dye & Durham ([TSX:DND](#)) has consistently impressed with its [stellar financial performances](#), which has driven its stock higher. While its stock has surged over 225% in one year, I see further upside and expect the company to continue to deliver strong revenue and adjusted EBITDA growth.

Notably, Dye & Durham's large customer base, long-term contracts with top customers, higher net revenue-retention rate, and lower churn augur well for future growth. Furthermore, its revenue and adjusted EBITDA are likely to grow rapidly, reflecting benefits from its recent acquisitions, expansion in high-growth markets, and robust M&A pipeline.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NASDAQ:DCBO (Docebo Inc.)
3. NYSE:LSPD (Lightspeed Commerce)
4. NYSE:SHOP (Shopify Inc.)

5. TSX:ABST (Absolute Software)
6. TSX:DCBO (Docebo Inc.)
7. TSX:DND (Dye & Durham Limited)
8. TSX:LSPD (Lightspeed Commerce)
9. TSX:SHOP (Shopify Inc.)

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