These 3 TSX Growth Stocks Are up Over 90%: Could They Rise More?

Description

Despite the valuation concern and normalization in demand, the rally in a few **TSX** stocks continues. Take tech giants **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD), **Nuvei** (TSX:NVEI), and **Docebo** (TSX:DCBO)(NASDAQ:DCBO) as examples. Shares of these tech companies have risen over 90% in six months, despite the concerns related to the reopening of the economy.

It's worth noting that the demand for their products and services remains elevated amid the ongoing shift towards the digital economy, which is driving their stocks higher. While these stocks have appreciated a lot, I see further upside due to the continued migration towards omnichannel platforms.

Lightspeed Commerce

Lightspeed stock has delivered stellar returns in the past and has increased about 722% since its listing in March 2019. Furthermore, it has appreciated about 95% in six months and by 299% in one year. The rise in e-commerce spending during the pandemic and the ongoing shift in selling models towards the cloud-based omnichannel platform has driven Lightspeed stock.

Despite the rally, the increased adoption of its platform demand will likely fuel growth and push its stock higher. Lightspeed's growing subscription revenues, solid customer base, and increased adoption of its modules augur well for growth and could boost its average revenue per user.

Overall, I expect the strength in its base business, accretive acquisitions, new product launches, and expansion in high-growth markets will drive strong double-digit growth in its revenues. Meanwhile, up-selling opportunities, a strong customer base, and a high retention rate are encouraging.

Nuvei

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Like Lightspeed, Nuvei stock significantly benefited from the increased adoption of digital platforms. Shares of this electronic payment processor are up about 266% since listing on the TSX in September 2020. Meanwhile, Nuvei stock has risen about 120% in six months due to the increased adoption of digital payments and higher e-commerce spending.

I remain optimistic about Nuvei stock due to its solid fundamentals and continued momentum in the underlying business. Its investments in new products, volume growth, product innovation, and expansion of distribution channels will likely accelerate its growth rate and drive its market share.

Nuvei has recently raised its outlook for revenues, volumes, and adjusted EBITDA, which is encouraging. Furthermore, its strategic acquisitions, growing footprint, and increase in merchant base bode well for future growth.

Docebo

Like Lightspeed and Nuvei, Docebo stock has also appreciated significantly in a short period. Notably, Docebo stock gained about 600% since listing on the TSX in October 2019. Meanwhile, it has risen over 120% in six months.

Despite the normalization in demand, I believe this corporate e-learning platform provider could continue to grow higher on the back of its solid annual recurring revenues and increased customer base.

I am bullish on Docebo and expect the continued growth in OEM sales, higher retention rate, and increased average order value to support its financials and, in turn, its stock. Further, its large addressable market, new OEM contracts, and larger deal size support my optimism. Also, Docebo's focus on productivity savings and operating leverage will likely boost its profitability.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

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

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