



Top 3 TSX Tech Stocks to Buy in October 2021

Description

Tech stocks are known to deliver high growth. Moreover, the ongoing shift towards the digital economy and increased spending on omnichannel platforms indicate that **TSX**-listed tech stocks could continue to outperform the bench index by a considerable margin in the future.

Let's look into three such tech stocks that I believe are well positioned to benefit from the secular industry trends and could deliver solid returns for investors.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is my top pick in the Canadian tech space. The rapid shift in selling model towards omnichannel platforms and Shopify's growth initiatives, including expansion of product base, positions it well to deliver strong revenues in the coming quarters. Furthermore, Shopify's gross merchandise volume will likely remain elevated in the [fourth quarter](#) due to the holiday season, supporting its merchant solutions revenues.

I believe Shopify's ability to attract new merchants on its platform and retain existing ones bodes well for future growth. Its platform expansion, the addition of high-growth sales and marketing channels, and continued strength in the payments solutions business indicate that the momentum in Shopify's business will likely sustain. Moreover, international expansion and the addition of new merchant solutions support my bullish view.

Though Shopify stock is expensive on the valuation front, its strong growth, operating leverage, and continued investments in business justify its premium valuation.

Nuvei

Payment technology solutions provider **Nuvei** ([TSX:NVEI](#)) is another stock in the tech space that should be on your radar. The company's strong go-to-market strategy, focus on high-growth verticals (regulated and social gaming and online marketplaces, among others), and acceptance of more payment types augur well for growth.

Furthermore, product innovation, integrated solutions, and strategic acquisitions accelerate its growth rate and support the uptrend in its stock. Its total volume, revenue, and adjusted EBITDA are growing rapidly, and the company expects the trend to sustain.

Overall, Nuvei is well positioned to capitalize on favourable industry trends. Its geographic expansion, focus on generating increased revenue from existing customers, and the addition of new merchants to its platform provides a solid growth base.

Dye & Durham

Increased economic activities, improving operating environment, and reopening of courthouses provide a strong base for growth for the cloud-based software provider **Dye & Durham** ([TSX:DND](#)). Its strong transaction volumes and benefit from strategic acquisitions will likely drive its revenue and adjusted EBITDA and, in turn, its stock price.

Its strong customer base (over 50,000 customers), long-term contracts with top clients, high retention rate, and revenue diversification indicate that Dye & Durham could deliver robust financials in the coming quarters. Further, its ability to acquire and integrate businesses and growing global scale augurs well for future growth. Furthermore, its transaction-based revenue model and strong balance sheet and cash flows support my bullish outlook.

Notably, Dye & Durham stock has witnessed a [correction](#) in 2021, and it is down about 18% on a year-to-date basis. I believe the pullback in its stock provides a good opportunity for buying. Also, its forward EV/EBITDA and EV/sales multiples are trading well below the historical average, indicating upside in its stock.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:DND (Dye & Durham Limited)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Coronavirus
2. Investing
3. Tech Stocks

Date

2025/06/30

Date Created

2021/10/04

Author

snahata

default watermark

default watermark