



## FIRE SALE: 2 Discounted Tech Stocks to Buy in an Expensive Market

### Description

With the **S&P/TSX Composite Index** up more than 20% year to date, it shouldn't come as a surprise to hear that the Canadian market is richly valued today. Of course, not all companies are trading at all-time highs today, but there's no shortage of high-priced growth stocks trading on the **TSX** right now.

If you're looking to earn [market-beating growth](#), don't let the market's current valuation prevent you from investing today. Even with the market trading at all-time highs, there are lots of deals for long-term investors to take advantage of.

I've reviewed two top [tech companies](#) that are trading far below all-time highs. From a valuation perspective, they certainly aren't the cheapest stocks on the TSX. But compared to what many tech stocks are trading at today, these two picks are trading at bargain prices.

### Tech stock #1: Lightspeed Commerce

I won't try to argue that a stock trading at price-to-sales ratio above 20 is cheap. But with shares down more than 50% below all-time highs, I'd definitely make a case that **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is trading at a very opportunistic discount.

Even with the recent selloff, [long-term investors](#) are still sitting on plenty of gains. Lightspeed is up close to 300% since it went public in early 2019. It's priced for many more years of market-beating gains, and I strongly believe patient shareholders will be rewarded.

The tech stock saw its shares plummet following the release of a short report in September. The market then did not react well to the company's most recent earnings report that was presented in early November.

Losses for the quarter came in higher than expected for Lightspeed, but revenue growth is still soaring. Management is more dedicated than ever to reinvesting back into the business. In addition to continuing to expand its product line, Lightspeed is also not slowing down with its international expansion.

I believe the growth story is still just beginning for this tech stock, which is why I'm looking to add to my position while shares are trading at a massive discount. I don't think it will be long before Lightspeed is back to all-time highs.

## Tech stock #2: Enhouse Systems

The second discounted tech stock on my watch list is a much more under-the-radar pick than Lightspeed. At a market of \$3 billion, **Enhouse Systems** ([TSX:ENGH](#)) is also a much smaller company. What it does have in common with Lightspeed is the fact that it's trading far below all-time highs.

Shares of Enhouse Systems initially rebounded incredibly well from the COVID-19 market crash. The tech stock nearly doubled in size in just three months after the Canadian market bottomed out in late March 2020.

Fast forward to today, and the tech stock hasn't been able to return to the highs that it set in July 2020. Shares are down 10% year to date and down close to 30% from all-time highs.

I believe that the tech stock got too far ahead of itself during its nearly 100% run in 2020. It spiked too quickly and needed to cool off, which it did in the following 12 months. But now with shares up close to 10% from its lows earlier this year, Enhouse Systems looks like it's ready to return to outperforming the market.

The tech stock is up more than 100% over the past five years and is close to a 10-bagger over the past decade. I'd bet that the company is past its multi-bagger years. That being said, I don't think it's anywhere near close to finished delivering market-beating gains to long-term investors.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:ENGH (Enhouse Systems Ltd.)
3. TSX:LSPD (Lightspeed Commerce)

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#### **Date**

2025/07/17

#### **Date Created**

2021/11/22

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