



The 3 Best Tech Stocks to Buy in Canada This December

Description

It hasn't been a great year for tech investors. Several hyper-growth stocks that soared in 2020 crashed through 2021. Their outlook in 2022 is unclear. However, if your investment time horizon stretches beyond the next year, there are some attractive opportunities available right now.

Here are the top three best tech stocks to buy in Canada right now.

Best payment stock to buy

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is one of the best tech stocks to buy right now. That's because its valuation is finally attractive enough to recommend to everyone. The stock [lost half its value](#) in November alone! It's down another 60% since hitting an all-time high in September.

The stock now looks cheap, especially when you consider its underlying fundamentals. The company registered a 193% jump in total revenue in its most recent quarter. Although net losses widened over the same period, the team declared \$1.2 billion in cash and cash equivalents on its books.

This implies that the stock is trading at a price-to-cash ratio of 10 and a price-to-sales ratio of 23.8. For a payment processor in the e-commerce sector, those valuation ratios look reasonable. That's why this could be one of the best tech stocks to buy right now.

Best blue-chip stock to buy

If you're looking for a relatively safe bet, you can't go wrong with **Constellation Software** ([TSX:CSU](#)). This underrated tech giant is one of the best Canadian stocks to buy, regardless of the market cycle. That's because it's a low-volatility, long-term compounder.

Constellation stock is up 12,000% over the past 16 years. That's a compounded annual growth rate of 36%. Most of that growth was driven by savvy investments and acquisitions in the niche software business. However, the team has now decided to look beyond software and acquire businesses in

other industries.

The company recently announced the formation of a \$200 million venture capital fund. This new subsidiary isn't expected to move the needle right away but could give the firm exposure to some hyper-growth segments of the technology sector.

In short, this steady growth story has plenty of room left. That's why it should be on your watch list.

Best software stock to buy

Topicus.Com (TSX:TOI) was a subsidiary of Constellation Software that was spun off earlier this year. Since then, the stock has climbed 81.6%. Its performance makes it an outlier in the tech sector. And there's reason to believe this outperformance could continue.

For the first nine months of 2021, the company delivered 50% growth in total revenue. It seems to be executing its parent company's model of acquisition-driven growth flawlessly. If it can sustain this trajectory for the foreseeable future, shareholders could be in for a windfall.

Topicus stock is down 18.5% over the past month. That presents an opportunity for investors seeking a reasonably priced growth stock to buy. Keep an eye on this one.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSXV:TOI (Topicus.Com Inc.)

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Author

vraisinghani

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