Tech Alert: 3 Excellent Buying Opportunities at Deep Discounts

Description

TSX's [technology sector](#) and its constituents have been out of favour since the start of 2022. **Shopify** is no longer Canada's most valuable publicly listed company, and the tech superstar sunk below $1,000 on February 15, 2022, the first time since March 8, 2020.

However, not all tech stocks are falling knives. Market analysts are [bullish](#) on **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), **Real Matters** ([TSX:REAL](#)), and **Thinkific Labs** (TSX:THNC).

While all are underperformers, given their year-to-date losses of 65% or more, the price forecasts of market analysts show a contrarian view. The tech stocks could rise by at least 130% in one year.

On track to meet targets

Lightspeed Commerce trades at a [deep discount](#) following months of beating due to a damning short-seller report last year. The $4.96 billion one-stop commerce platform for merchants presented glowing numbers in Q3 fiscal 2022 (quarter ended December 31, 2021).

Total revenue, subscription revenue, and transaction-based revenue grew 165%, 123%, and 249%, respectively, versus Q3 fiscal 2021. Net loss, however, widened 53.4% to US$65.5 million. Newly appointed CEO JP Chauvet said, "Lightspeed's modern cloud-based platform continues to drive tremendous value for merchants in our target verticals."

According to Chauvet, Lightspeed is on track to meet its growth and profitability targets and could grow organically by 35-40% annually. Analysts forecast a price appreciation of 136.1% from $33.93 to $80.12.

Laying the foundation

Real Matters is a buying opportunity following a rough year and not-so-stellar Q1 fiscal 2022 results. The $441.26 million network management services provider caters to clients in Canada and

predominantly in the United States.

In the quarter ended December 31, 2021, consolidated revenues and net income fell 10.4% and 63.4%, respectively, versus Q1 fiscal 2020. The 59.4% revenue decline in the U.S. Title business negated the 14.1% revenue the U.S. Appraisal segment. Real Matters's CEO Brian Lang said the significant drop in U.S. title revenues was partly due to the 31.2% decline in refinance market volumes.

Despite the lacklustre quarterly results, management said it maintains a competitive position in U.S. Title. Q1 fiscal 2022 is the foundation and prelude to a continued market share growth. The tech stock trades at $5.63 per share, although market analysts price target is between $8.42 (+49.6%) and $13.08 (+132.3%).

Uniting business with education

Thinkific Labs made its market debut in April 2021. However, its current share price of $5.39 is 65.4% lower than its closing price on IPO date. Nevertheless, market analysts recommend a buy to strong buy rating. Their 12-month average price target is $16.24 — a upside potential of 201.3%.

The $399.64 million company offers a Software-as-a-Service (SaaS) platform. Its top offering enables businesses and entrepreneurs to create, market, and sell their expertise with a single platform. Thinkific's overall objective is to unite business with education.

Thinkific's Q4 and full-year 2021 results should be out when this article comes out. Nonetheless, the Q3 2021 results reflect the growing adoption and impact of the platform. According to its CFO, Corinnes Hua, the paying customer growth is the main driver. The number grew 43% versus Q3 2020.

Buying opportunities

Underperformers Lightspeed, Real Matters, and Thinkific Labs are buying opportunities. The tech stocks likely have nowhere to go but up when the businesses recover or grow soon.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. TSX:LSPD (Lightspeed Commerce)
3. TSX:REAL (Real Matters Inc.)

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