



3 Top Tech Stocks to Buy on the Pullback

Description

The tech sector has taken a beating in recent months. High-growth [tech stocks](#) led the way for the market following the COVID-19 market crash in 2020. Growth soared but so did valuations. What we've seen in the market as of late is that investors are no longer willing to pay the same types of premiums that may have been willing to earlier in the pandemic.

As a [growth investor](#) myself, the volatility in the market today has me more excited than concerned. There are plenty of high-quality businesses, particularly in the tech sector, trading at [massive discounts](#) right now.

If you're investing for the long term, volatility shouldn't keep you on the sidelines. I'll admit that it's by no means easy to be a buyer when many investors are selling. But if you can handle the volatility and are willing to hold for the long term, now is an excellent time to be investing.

Here are three top tech stocks to put on your watch list this month.

Lightspeed Commerce

Six months ago, **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) would have been, by far, the most expensive stock amongst the three companies on this list. When it was trading at all-time highs last September, Lightspeed was one of the highest-valued stocks on the [TSX](#).

Today, the Montreal-headquartered company is trading more than 80% below all-time highs set just six months ago. It's been a staggering selloff, which I've unfortunately endured as a Lightspeed shareholder.

The tech stock has been crushed over the past half-year, but the business remains in strong shape, and the market opportunity is only growing for Lightspeed. The company has delivered year-over-year revenue growth of more than 150% in each of its first three fiscal quarters of the current year.

Even at today's discounted price, Lightspeed still demands a premium. I also wouldn't bet that volatility

will slow down anytime soon. But over the long term, I'm banking on Lightspeed to be a consistent market-beating stock with multi-bagger growth potential.

Descartes Systems

Currently priced 20% below all-time highs, **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) is not trading at the same fire-sale prices as Lightspeed. But the company is trading at a rare discount that growth investors would be wise to take advantage of.

Shares of the tech stock aren't exactly cheap from a valuation perspective. But unlike Lightspeed, Descartes Systems has a dependable track record of market-beating growth, which I'd argue warrants a steep price tag.

Descartes Systems has returned close to 200% over the past five years. In comparison, the **S&P/TSX Composite Index** is up less than 40%.

Constellation Software

Last on this list of discounted tech stocks is **Constellation Software** ([TSX:CSU](#)). At a market cap of \$45 billion, this tech company is significantly larger than the first two on the list.

Constellation Software has been a perennial market beater since it joined the TSX close to 20 years ago. The high-flying multi-bagger days are likely behind Constellation Software, but the tech company is still putting up impressive growth numbers. Shares are nearing a 250% gain over the past five years.

In addition to a 10% discount from 52-week highs, Constellation Software is also reasonably priced, trading at a forward price-to-earnings ratio of 30. Considering the market-beating gains that the company continues to deliver, growth investors will be hard-pressed to find a better deal on the TSX than this.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:DSG (The Descartes Systems Group Inc)
5. TSX:LSPD (Lightspeed Commerce)

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