



Forget Amazon Stock: Here Are 2 Much Cheaper Tech Stocks

Description

Last week, **Amazon** ([NASDAQ:AMZN](#)), one of the most successful companies and top growth stocks of all time, announced a 20-for-one stock split as well as US\$10 billion in share buybacks.

Both announcements are positive for the share price. Although a 20-for-one stock split doesn't actually change anything when it comes to the company's total value, the psychological effect of lowering the share price can increase demand for the stock as investors may now be able to afford multiple shares.

In addition, the [share buybacks](#) will put upward pressure on the stock price. So it's not surprising that Amazon has been a popular topic among investors.

Amazon is undoubtedly a top stock, and it's a company that's worthwhile owning. However, if you're looking for value and to take advantage of the significant opportunities in the [tech sector](#) after the current volatility, there are plenty of stocks that are cheaper than Amazon.

So if you're looking to buy a top tech stock today, here are two that not only offer much more value than Amazon but could actually outperform it over the coming years.

Two top tech companies offering more value than Amazon

Amazon is a massive company that's grown for years. However, as it continues to gain in size, the growth it continues to achieve is bound to begin to diminish. In recent years, it has diversified to new industries finding synergies and scaling its business exceptionally well. Nevertheless, eventually, Amazon's growth will continue to slow down as it gains in size.

So even a stock like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), which faces much of the same diminishing returns when it comes to growth, could outperform Amazon stock.

Both companies are dominant businesses in the e-commerce industry — an industry with years of growth potential. However, with Shopify trading at a significant discount today and with the company investing a tonne of money to grow the business organically over the coming years, there is a strong

chance it outperforms Amazon stock from here.

In addition to Shopify, **WELL Health Technologies** ([TSX:WELL](#)) is another cheap tech stock to consider buying today. It may be out of favour right now, but as savvy long-term investors know, that's the best time to buy stocks.

WELL has grown exceptionally by acquisition, and now many of its portfolio companies have a great deal of organic growth potential. But in addition to the long-term growth potential the company has, it's the value the stock offers today that makes it such a compelling buy.

Right now, WELL stock trades at a forward enterprise value (EV) to sales ratio of 2.7 times, which is cheaper than Amazon at 2.8 times. That's impressive, considering we know Amazon does billions of sales. But in addition, WELL's forward EV to [EBITDA](#) ratio is just 13.3 times, compared to Amazon's 18.2 times.

WELL Health Technologies is so cheap that analysts have a target price that sits more than 130% above its current market price.

Bottom line

Amazon is one of the most impressive stocks of all time and should continue to expand its business and grow shareholder value for years. However, with that being said, given the significant discounts that WELL and Shopify stocks trade at today, in my view, they offer much better value for investors looking to buy now.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:WELL (WELL Health Technologies Corp.)

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