



2 TSX Tech Stocks That Could Turn \$10,000 Into \$100,000

Description

While market downturns are never pretty, they can be great times to buy fast-growing **TSX** tech stocks. The valuations for many top Canadian tech stocks have pulled back significantly this year. With rising interest rates and economic growth projected to slow, many investors are abandoning their once loved [growth stocks](#) for value-focused investments.

Tech isn't going away

This creates great opportunity for long-term growth investors. The technological transformation of society is not going to abate anytime soon. Many of Canada's top tech stocks are creating products and services that make life/business easier, more efficient, and more productive. Accordingly, over the long term, we can be fairly certain that society will evolve technologically.

Think long term and you can multiply your money

Hence, if your time frame is long enough, forget the short-term market and economic noise. Look for tech stocks that are consistently growing revenues and profitability. Likewise, look for businesses that are essential to their customers. [Technology stocks](#) may be down today. However, the market will quickly recognize their resilience on the other side of this correction

If you are not afraid to buy Canadian technology stocks in the downturn, here are two that could potentially turn a \$10,000 investment into a \$100,000 in the years ahead.

A tech stock replicating one of Canada's most successful investments

Constellation Software has delivered a 2,410% total return over the past 10 years. \$10,000 invested in that stock would be worth around \$251,100 today! Constellation should continue to deliver strong returns going forward, but given its size, returns may slow. However, last year Constellation spun out a

smaller, European-focused stock called **Topicus.com** ([TSXV:TOI](#)).

Like Constellation, Topicus is [consolidating](#) niche vertical market software businesses across Europe. These are essential software businesses that dominate verticals in healthcare, finance, education, and government sectors. Topicus is somewhat unique from Constellation because of its focus on organically developing and growing its own software services.

Buying Topicus.com could be akin to buying a younger Constellation 10 years ago. It will be hard to duplicate Constellation's past success. Yet Topicus.com has the right foundation to seriously multiply shareholders' wealth in the coming years.

A tech stock focused on the supply chain

Like Constellation, **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) has a solid history of creating strong results for shareholders. Over the past 10 years, it has delivered a 24% average annual total return. \$10,000 invested in 2012 would be worth nearly \$88,000 today.

Descartes Systems provides essential recurring software services to the logistics and transportation sectors. It operates the world's largest logistics network, which is complemented by a broad array of software solutions.

Given the recent supply chain challenges across the world, Descartes's software has become more important than ever. This has been a major windfall for growth and profitability.

Descartes is perhaps not growing as fast as Topicus.com. However, it operates a very defensive, resilient business. The larger it scales, the more opportunities it has to cross-sell services and increase profitability. Like Constellation, Descartes has grown by consolidating smaller transportation-focused software providers.

Descartes has a zero debt and lots of cash. It has a strong foundation to keep growing from here. This tech stock has pulled back 23% in 2021. Its valuation is starting to look quite attractive. Hence, this downturn may be a great time to layer into a position.

I can't promise this tech stock will multiply your money 10 times. However, it has all the characteristics of a strong wealth compounder for years ahead.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:DSG (The Descartes Systems Group Inc)
3. TSXV:TOI (Topicus.Com Inc.)

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