



Fire Sale on Tech Stocks! 2 Top Picks to Put on Your Radar

Description

Earnings season didn't exactly kick off as the bulls would have liked. It all began with the major American banks reporting somewhat underwhelming results. That was then followed by the dip in U.S. tech giant **Netflix**, which saw shares drop more than 30% on the day following its earnings release.

With a slew of [tech stocks](#) set to report earnings this week, [growth investors](#) are going to be on high alert.

Investing in high-growth tech stocks

I completely understand why someone with a short-term time horizon would be hesitant to invest today. Even if a company beats across the board on its earnings, there's no certainty of how the stock will react.

Long-term investors, however, don't need to be nearly as concerned with the market's [volatility](#) right now. Rather than worry about short-term price movements, as a long-term investor, I'm much more focused on finding companies with long-term growth potential.

Here are two beaten-down tech stocks that I'm betting will be back to outperforming the market sooner rather than later.

Tech stock #1: Lightspeed Commerce

It's hard to imagine that **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is now trading close to 80% below all-time highs, which were set only last September. Still, shares are up a market-beating 50% since the company went public in early 2019.

It's been a whirlwind past two years for the tech company. Shares initially dropped in the early days of the pandemic, but Lightspeed managed to end 2020 up close to 150%.

Despite the recent selloff, quarterly revenue growth has come in at more than 100% in each of the past three quarters. Management has done an excellent job growing both the company's product offering and international presence. And with a market opportunity that only continues to grow, I may be adding to my position very shortly.

Tech stock #2: Descartes Systems

While shares may not be down as much as Lightspeed, **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) is still worth serious consideration today.

The tech stock has been a consistent market beater for the past two decades, largely outperforming the returns of the **S&P/TSX Composite Index**. Shares of the stock are up 150% over the past five years, compared to the Canadian market's return of about 40%.

Even with a 30% discount from 52-week highs, Descartes Systems is not exactly a cheap stock. Shares are valued at a forward price-to-earnings ratio above 40. Considering the tech stock's impressive track record of growth, though, I'd argue that its steep price tag is well warranted.

If you're looking for a dependable growth stock with lots of gas still left in the tank, Descartes Systems should be on your watch list.

Foolish bottom line

Growth investors looking for market-beating returns need to be prepared for inevitable volatile market periods. It's only natural to see a stock drop in price after delivering multi-bagger returns in a short period of time. And that's exactly what many tech companies did in 2020.

I'm not expecting volatility to slow down anytime soon, but that's not stopping me from investing today. As long as you have a long-term time horizon, Lightspeed Commerce and Descartes Systems are two top buys today.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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

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