



Now Is the Opportune Time to Add These 4 Tech Stocks to Your Portfolio

Description

Several high-growth Canadian tech stocks reversed their pandemic-led gains amid the recent selling. Further, a few are trading even below the pre-pandemic levels. While high inflation, rising interest rates, and geopolitical conflict could keep these tech stocks volatile in the short term, I see this correction as an opportunity to buy to outperform the broader markets in the long term.

Let's look at four Canadian companies that have solid fundamentals while their stocks are trading cheap.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) stock has corrected quite a lot (down about 66% this year) on growth concerns amid the reopening of the world. Further, macro and margin headwinds have dragged it below the pre-pandemic levels. While its growth is expected to decelerate amid normalization in demand trends, its investments in business provide a solid growth foundation and market share expansion.

The ongoing digital shift, expansion of its product suite, growing adoption of payments solutions, and increase in merchant base supports my [bullish outlook](#). Also, its growth is expected to reaccelerate as it faces easier comparisons in the second half. Further, geographic expansion, strengthening of fulfillment network, and new sales and marketing channels augur well for growth.

Absolute Software

Shares of **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) corrected amid the economic reopening and general market selling. However, it continues to grow rapidly, reflected through the double-digit growth in its annual recurring revenues, making Absolute Software an [attractive investment](#) at current levels.

The strength in its enterprise and government segment, increase spending on cybersecurity, new

customer acquisitions, and a higher mix of recurring revenues are driving its revenue and profitability. Furthermore, its high retention rate, large addressable market, the launch of new products, and opportunistic acquisitions bode well for future growth.

Nuvei

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock is down more than 50% from its peak. However, this payment technology company continues to deliver robust growth and expects the momentum to sustain in the coming years. The accelerated pace of digital shift, customer additions, and expansion of new alternative payment methods will likely support its volumes and revenue growth.

Its management projects over 30% annual growth in its volume and revenues in the medium term, which is achievable given the increased penetration of e-commerce, crypto demand, and its expansion into high-growth verticals. Also, its focus on driving higher revenue from existing customers, large addressable market, and strategic acquisitions will likely accelerate its growth.

Docebo

Docebo ([TSX:DCBO](#))([NASDAQ:DCBO](#)) is the final stock on this list. While shares of this corporate e-learning platform provider have corrected quite a lot, it continues to deliver stellar organic growth on the back of a growing customer base, strong retention rate, higher revenues from existing customers, and multi-year contracts.

Furthermore, larger deal size, expansion of product suite, increasing geographic footprint, opportunistic acquisitions, and focus on productivity savings will likely accelerate its growth rate. Overall, Docebo's strong annual recurring revenues, growth in contract value, and a pullback in stock price represent a solid buying opportunity.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NASDAQ:DCBO (Docebo Inc.)
3. NASDAQ:NVEI (Nuvei Corporation)
4. NYSE:SHOP (Shopify Inc.)
5. TSX:ABST (Absolute Software)
6. TSX:DCBO (Docebo Inc.)
7. TSX:NVEI (Nuvei Corporation)
8. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Investing
2. Tech Stocks

Date

2025/06/29

Date Created

2022/05/03

Author

snahata

default watermark

default watermark