



2 Battered Tech Stocks That Could Turn a Corner

Description

The tech wreck of 2022 has been absolutely brutal. As the selloff continues, commentators are sure to draw comparisons between this selloff and the one suffered during the dot-com bust of 2000. With high-multiple tech, growth, and unprofitable firms getting clobbered over fears of much higher interest rates, [investors](#) have been gradually rotating back into profitable firms and value-rich plays.

As the bloodbath in tech continues, we could reach a point where growth becomes the new value. While I don't think we've yet reached such a point where growth could get a bid higher again, I think there are individual growth companies out there that are severely discounted by the market. Undoubtedly, a higher chance of a recession alongside higher rates is the worst possible outcome for the high flyers that don't expect to generate a profit anytime in the near future.

Tech stocks have been trounced this year

With expectations lowered to the floor on many of the 2000-21 momentum plays, wise contrarians may wish to give some of them a second look, as they sink to multi-year lows. Undoubtedly, stocks that have shed over 85-90% of their value amid this selloff are probably not going to see their highs again over the course of the next decade.

Regardless, there are beaten-down tech stocks that can help Canadians give their returns a nice jolt. It seems reckless to catch falling knives in the tech scene these days. But that's exactly when the best deals are available.

Consider **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) and **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)): two great Canadian innovators that have seen their share prices get walloped in recent months. Though they may yet to have hit the bottom, I think the risk/reward scenario for long-term investors is the best it's been in a long time. For those fine with enduring short-term pain for long-term gain, they may be intriguing buy options while the tech selloff looks to enter its latter innings.

Docebo

Docebo is a big pandemic winner that's given up a huge chunk of gains this year. Year to date, shares have nearly lost half of their value. Now trading at \$43 and change per share, shares of the Learning Management System (LMS) software developer are looking to form some sort of base. Down around 61% from its all-time high, Docebo has punished dip buyers thus far.

Still, the firm, whose software was in high demand during pandemic lockdowns, still has a stable growth story. Remote work isn't going anywhere. Innovations that help facilitate a more productive remote workforce are likely to do well over the long haul.

Indeed, pandemic pull-forward in demand may be weighing on Docebo, but those less-favourable comparables will get better with time. And once the firm introduces new tools, it'll be tough to keep the \$1.4 billion mid-cap tech firm down.

Nuvei

Nuvei is a payments play that's imploded alongside most other fintech companies in the market. The stock crashed nearly 70% from peak to trough, thanks to the broader tech meltdown and negative attention drawn from a short-seller. Indeed, short-seller claims can be alarming, but sometimes, they can be baseless. With the stock surging nearly 9% on Thursday, the \$9.2 billion payments player could be on the verge of a turnaround.

With a toe dipped into the cryptocurrency waters, with last year's acquisition of Simplex, Nuvei is on the cutting edge of financial technology. Though it's hard to value the firm, given its hefty 93.4 times trailing earnings multiple, I think it'd be a mistake to discount the growth runway.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NASDAQ:NVEI (Nuvei Corporation)
3. TSX:DCBO (Docebo Inc.)
4. TSX:NVEI (Nuvei Corporation)

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. joefrenette
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/08/25

Date Created

2022/05/29

Author

joefrenette

default watermark

default watermark