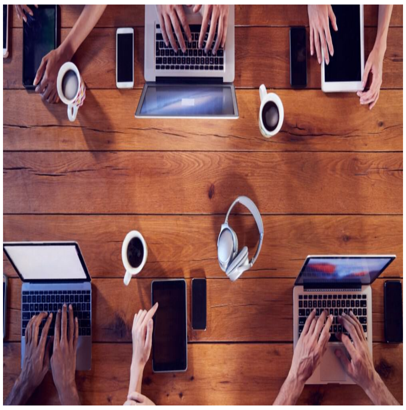

3 Stocks I’m Buying During a Tech Stock Correction

Description

It’s no secret that tech stocks have done very poorly over the past year. Many of the most popular stocks have lost more than 50% of their value. This has caused many investors to become hesitant to invest in tech stocks. However, I argue that it’s actually a great time to be accumulating shares — that is, after you’ve gone back to see if anything has changed materially for the company. In this article, I’ll discuss three stocks I’m buying during a tech stock correction.

My top tech stock

If I could only buy one tech stock, it would be **Shopify** (TSX:SHOP)(NYSE:SHOP). I’m a strong believer that the e-commerce industry will represent a much larger portion of the global retail industry by the end of the decade. In addition, it’s very difficult to dispute Shopify’s presence in that emerging industry. Using the massive American retail market as a measuring stick, Shopify ranks as the second-largest e-commerce company in terms of revenue.

Shopify is expected to slow down in terms of growth in the future. This is largely due to a reversal away from COVID trends. However, despite that slowdown, Shopify’s numbers are still very attractive. In Q1 2022, the company reported a 22% year-over-year increase in revenue. In addition, its monthly recurring revenue has continued to increase. Since Q1 2017, Shopify’s MRR has grown at a CAGR of 38%.

A company that should do well in this environment

Today, many companies operate remotely. This is simply a consequence of the COVID-19 pandemic. Many businesses opted to move away from the traditional office building model and allowed employees to work from home. As a result, companies have needed to find new ways to accommodate the completion of different tasks. That includes employee training.

Docebo (TSX:DCBO)(NASDAQ:DCBO) provides a cloud-based and AI-powered eLearning platform. Today, more than 2,900 customers rely on Docebo’s platform. What’s impressive about this company is that more than 90% of its revenue comes from recurring sources. That gives Docebo a very predictable and stable source of revenue. In addition, that revenue is growing at a CAGR of 66%. Docebo could become a massive company in a few years' time.

This company has a good opportunity

The final tech stock I'd buy during a correction is **Topicus.com** (TSXV:TOI). This company is an acquirer of vertical market software companies. It focuses on the European tech industry, which has two major benefits. First, that's a highly fragmented landscape. That provides Topicus with an environment that's ripe for acquisition. In addition, the European tech tends to see less pressure from venture capitalists. That means that Topicus could see less competition than if it were focusing on the North American tech industry.

Prospective investors in Topicus may already be familiar with the fact that it was once a subsidiary of **Constellation Software**. Despite now operating as its own entity, it still maintains those close ties with its former parent company. This connection cannot be understated. It provides Topicus with a unique advantage to work closely with a company that has succeeded in its industry. Topicus has a chance to become the next great Canadian tech stock.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DCBO (Docebo Inc.)
4. TSX:SHOP (Shopify Inc.)
5. TSXV:TOI (Topicus.Com 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. jedlloren
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date
2025/08/28
Date Created
2022/07/05
Author
jedlloren