



## 3 Tech Stocks I am Buying During a Correction

### Description

Growth stocks on the TSX have been hammered in 2022. Moreover, [tech stocks](#) that were trading at a steep multiple have fallen off a cliff and are available at deep discounts compared to historical valuations. In the last decade, a lower interest rate environment allowed tech stocks to trade at record multiples, making them the blue-eyed boys of the equity market.

Despite the recent surge in stocks, the macroeconomic environment remains challenging and investors might experience another round of sell-offs by the end of 2022. Here are three tech stocks trading on the TSX I'm buying if the markets fall further.

### Docebo

**Docebo** ([TSX:DCBO](#))(NYSE:DCBO) has more than tripled investor returns since the stock went public in October 2019. But the stock price of Docebo is currently down 66% from all-time highs, allowing you to buy the dip.

Docebo provides artificial intelligence-enabled learning management software (LMS) to companies globally. While its business boomed during the pandemic, the hybrid work model is here to stay, which should drive demand for Docebo's portfolio of solutions in 2022 and beyond.

Docebo has increased its sales fourfold since 2018 to \$134 million in 2021. Analysts expect sales to almost double to \$260 million by 2023, making it one of the fastest growing companies in Canada.

In Q1 2022, Docebo's annual recurring revenue stood at US\$129.3 million, an increase of 55% compared with the year-ago period. As the company generates a significant portion of sales via subscriptions it should generate cash flows across business cycles.

DCBO shares are currently trading at \$40.31 and the stock price forecast for Docebo is \$81, indicating an upside potential of 100%.

## Shopify

In 2021, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) was the largest Canadian company in terms of market cap. Currently trading 75% below all-time highs, Shopify has burnt massive investor wealth year-to-date.

However, Shopify stock has still returned 335% to investors since its IPO in 2015. The ongoing pandemic acted as a massive tailwind for Shopify as its sales rose by 86% year-over-year in 2020. Now analysts expect Shopify's top-line growth to decelerate considerably in 2022, which has driven the sell-off in SHOP stock.

But Shopify is still the second largest e-commerce player in the U.S. after **Amazon**. In Q2, total sales rose by 16% year-over-year to US\$1.3 billion. Its monthly recurring revenue also increased 13% compared to the year-ago period.

Shopify is part of an expanding addressable market making it a top bet for long-term investors.

## Descartes Systems

**Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) provides cloud services and supply chain management services to companies globally. The company's stock is down 8% in 2022 and 21% from all-time highs.

The COVID-19 pandemic and the Russia-Ukraine conflict massively disrupted the supply chain increasing the demand for supply chain management solutions.

In the quarter ended in April, Descartes reported revenue of \$116.4 million, indicating a year-over-year increase of 20%. Its earnings per share also improved to \$0.35 from \$0.33 in the year-ago quarter.

In the last five years, shares of Descartes have surged by 170%, easily outpacing the TSX. Analysts remain bullish on the stock and have a 12-month average price target of \$116.55, indicating an upside potential of 32%.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NASDAQ:DSGX (Descartes Systems Group)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:DCBO (Docebo Inc.)
5. TSX:DSG (The Descartes Systems Group Inc)
6. TSX:SHOP (Shopify Inc.)

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