3 Best Artificial Intelligence Stocks to Buy in November 2022

Description

The performance of the **TSX's** technology sector in 2022 is forgettable when compared to the annualized price returns of 80.3% and 18.3% in 2020 and 2021. As of this writing, the tech sector's year-to-date loss stands at 41.12%, the second biggest loss after healthcare (-50.94%).

However, if the Fed's rate hike cycles end next year, the comeback of growth stocks is a strong possibility. If you intend to take an early position before this happens, I recommend picking artificial intelligence (AI) stocks over the e-commerce giants.

CGI Inc. (TSX:GIB.A), **Kinaxis** (TSX:KXS), and **Docebo** (TSX:DCBO) are the top Canadian AI stocks you can still buy at a discount this November.

Build-and-buy profitable growth strategy

CGI was established in 1976 and is currently operating in more than 40 countries. The $25.6 billion information technology (IT) and business consulting services firm prides itself on being insights-driven and outcome-based. It helps clients accelerate returns on their IT and business investments.

In Q3 fiscal 2022 (quarter ended June 30, 2022), revenue and net earnings grew 7.8% and 7.6% year-over-year to $3.25 billion and $364.3 million, respectively. George D. Schindler, CGI's President and CEO, said the company continues to deliver on its build-and-buy profitable growth strategy, as evidenced by double digit increases year-over-year in revenue and earnings per share (EPS).

Performance-wise, this tech stock has returned 311.18% over the past decade and has a compound annual growth rate (CAGR) of 15.17%. It currently trades at $106.99 per share (-4.35% year-to-date).

Supply chain management solutions

Kinaxis' extensible, cloud-based platform delivers industry-proven applications for the digital supply chain. This $3.96 billion cloud-based subscription software company enjoys strong momentum in 2022.

In the three months ending September 30, 2022, Software-as-a-Service (SaaS) revenue grew 21% to US$54 million versus Q3 2021.

The quarter's highlight was the 714% year-over-year increase in profit to US$1.62 million. John Sicard, President and CEO of Kinaxis, said business momentum continues to prove consistent, which includes winning over 35% new customers from a year ago.

Sicard adds that the company's fully digitized supply chain management solutions position Kinaxis as a leader in global transformation. The current share price of $142.18 (-19.82% year-to-date) is a good entry point.

AI-powered learning suite

Docebo is best known for its AI-powered learning suite. Its CEO and founder, Claudio Erba, said "As organizations prioritize learning and training in this economic environment, Docebo is ideally positioned to help consolidate their tech stack." He adds that the long-term secular growth drivers of the $1.16 billion company are intact.

In Q2 2022, subscription and total revenue increased 35% and 36.3% year-over-year to US$31.9 million and US$34.9 million, respectively. Docebo also reported a net income of US$2.1 million compared to the US$7.2 million net loss in Q2 2021. Notably, free cash flow (FCF) during the quarter is positive at $0.9 million.

Market analysts recommend a buy rating for DCBO. Their 12-month average price target is $72.83, or a 106% upside from its current share price of $35.39.

Multi-baggers

CGI, Kinaxis, and Docebo are potential multi-baggers in a data-driven world. Also, companies providing AI products and services are excellent long-term holdings.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:GIB.A (CGI)
3. TSX:KXS (Kinaxis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn

5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. agraff
2. cliew

Category

1. Investing
2. Tech Stocks

Date
2025/08/14
Date Created
2022/11/07
Author
cliew