



3 Top TSX Tech Stocks That Could Make You Rich by Retirement

Description

If you have more than a decade to retire, you still have a long investment horizon. A longer investment outlook allows for a relatively higher risk appetite. With balanced risk management, risk ultimately bodes well for generating superior investment returns.

Now that the tech sector is already down to its knees this year, this could be an opportune time to enter. Note that the TSX tech stocks might continue to trade weak for a while. But when we have a horizon of multiple business cycles, the volatility risk eases off.

Thanks to adamant inflation and accelerated interest rate hikes, tech names are down 35% this year. While the valuation moderation was long overdue, some names did witness a more disproportionate beating. So, here are some of those [TSX tech stocks](#) that could be attractive bets for the long term.

Constellation Software

Constellation Software ([TSX:CSU](#)) stock lost 10% of its market value this year, yet still outperformed peers. Over the long term, it has notably beaten peers with its above-average profitability and strong execution.

Constellation acquires and operates a fleet of smaller software companies that cater to different industries. Its diversified revenue profile and competitive market position play well for shareholder returns. Though CSU stock has slowed down this year, its outperformance to peers has been quite noteworthy. As a result, its premium valuation seems justified. In the last 10 years, CSU stock has returned 34% compounded annually.

Nuvei

Canadian fintech player **Nuvei** ([TSX:NVEI](#)) has lost 60% of its value since March 2022. Such a massive correction was quite expected, given its premium valuation last year. The stock indeed went too far too soon till Q4 2021. However, the stock could have hit bottom and levels around \$35–\$40

seem attractive.

Nuvei is a fast-growing payment processing platform that has a diversified revenue base. It operates in more than 200 markets and supports 586 payment methods. Apart from e-commerce, it derives revenues from regulated sports betting platforms as well.

For the long term, Nuvei management has guided for annual revenue growth of over 30% and an adjusted EBITDA margin of above 50%. EBITDA is earnings before interest, tax, depreciation, and amortization. That's amazing growth by any means. If it realizes the guidance, Nuvei will likely create handsome [shareholder value](#) in the long term.

Shopify

Shopify ([TSX:SHOP](#)) will likely start a new growth chapter soon. Its fulfillment network could be a key growth driver in the long term. Although e-commerce has normalized since the pandemic, it's not going to be obsolete anytime soon. So, Shopify will likely see decent growth materializing in the long term as e-commerce grows.

Plus, it has been expanding in the offline space as well. So, notably, Shopify might continue to see some pressure on its cash flows as it heavily invests in growth projects. But it will likely regain grace in the long term with its expanding market position, strong execution, and visionary leadership.

SHOP stock has lost 70% this year, making it one of the biggest wealth destroyers of 2022. However, when you are betting for a decade or more, it looks attractive at these levels.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:SHOP (Shopify 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. cleona
2. vinitkularni20

Category

1. Investing
2. Tech Stocks

Date

2025/07/19

Date Created

2022/12/13

Author

vinitkularni20

default watermark

default watermark