



2 Best Tech Stocks to Buy Before the Next Bull Market

Description

After an extremely painful year in 2022, the equity markets have staged a comeback year to date. While the S&P 500 index slumped almost 20% in 2022, it gained 8% in the first seven weeks of this year.

Stock markets will always remain volatile in the near term. For instance, investors are currently wrestling with interest rate hikes, inflation, geopolitical tensions, supply chain disruptions, and the threat of an economic recession. But every bear market has eventually been replaced by a multi-year bull run where investors have made money hand over fist.

It's also impossible to time the market bottom, indicating every major dip should be viewed as a buying opportunity. With these factors in mind, here are two top stocks to buy before the next [bull market](#).

Roku

One of the largest players in the streaming space, **Roku** ([NASDAQ:ROKU](#)) is valued at a [market cap](#) of US\$10 billion. Currently trading 85% below all-time highs, ROKU stock has also surged 76% in 2023.

In the fourth quarter (Q4) of 2022, Roku reported revenue of US\$867.1 million, which was flat compared to the year-ago period. However, it was well above its previous revenue guidance of US\$801.7 million. The company's platform sales rose 5% to US\$731.3 million, and device sales were down 18% at US\$135.8 million.

Roku's platform business generates a majority of its revenue from advertisements. In 2022, enterprise spending on ads fell off a cliff due to a challenging macro-environment.

However, Roku's active accounts in the December quarter rose by 16% to 70 million, while the streaming hours on the platform stood at 23.9 million — an increase of 23% year over year.

But a slowdown in top-line growth impacted Roku's profitability, as it reported an operating loss of US\$250 million in Q4.

Wall Street was impressed at Roku's guidance, as the company expects to end 2024 with a positive adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization). In Q1 of 2023, its sales are forecast to fall 4% to US\$700 million. Comparatively, analysts forecast Q1 sales at US\$691 million.

The shift towards online streaming is all set to accelerate in several global markets, providing Roku with enough room to move the needle in terms of revenue growth. Valued at 3.3 times forward sales, Roku stock might move lower in case market sentiment turns bearish. But it is well poised to deliver substantial gains in the upcoming decade.

Nuvei

A company operating in the fintech space, **Nuvei** ([TSX:NVEI](#)) has focused on highly accretive acquisitions in recent years, allowing it to increase sales from US\$245.8 million in 2019 to US\$835 million in the last 12 months.

Its flexible and scalable portfolio of technology solutions enables Nuvei customers to accept multiple forms of payments and also benefit from services such as banking, card issuing as well as fraud and risk management.

Nuvei has a presence in 200 markets, and its robust platform supports 150 currencies and 600 alternative payment methods.

Down 75% from all-time highs, NVEI stock is valued at a market cap of \$6.26 billion. But this TSX tech stock is on track to increase sales from \$966 million in 2021 to \$1.32 billion in 2023. Unlike several other high-flying [tech stocks](#), Nuvei is also reporting consistent profits and traded at 15.5 times forward sales.

Due to its compelling valuation and widening product portfolio, analysts tracking NVEI stock expect it to gain over 35% in the next 12 months.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ROKU (Roku)
2. TSX:NVEI (Nuvei Corporation)

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. araghunath
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/08/14

Date Created

2023/02/21

Author

araghunath

default watermark

default watermark