



1 B2B Tech Investment Better Than Shopify (TSX:SHOP)

Description

Open Text ([TSX:OTEX](#))([NASDAQ:OTEX](#)), Canada's largest enterprise information management (EIM) provider, announced expanded partnerships with both **Mastercard** and **Alphabet's** Google Cloud last week. The Mastercard alliance will focus on profitable supply chain efficiency endeavours while strengthened Google affiliations will boost multi-cloud platform capabilities.

Better yet, as a leading enterprise software company, Open Text is already pulling in a profit, whereas **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has yet to report positive earnings. In the past year, the share price on [Shopify skyrocketed 48%](#) to over \$300. While Shopify's acquisitions of Helpful.com, Tictail, and Solutions Alveo demonstrate potential, Open Text remains the better buy.

Open Text innovates big data analytics

Open Text's AI and Analytics platform is a sophisticated platform designed to improve the accessibility of machine-learning capabilities. The software runs off the popular, open-source Apache Spark computing engine and contains both natural language processing and business intelligence functions.

As demand for data science professionals outpaces supply, Open Text's software solves pervasive recruiting challenges, facilitating critical updates to empirical decision-making processes.

Cutting-edge investors will love the growth potential in this company as well as the 1.7% dividend yield. The stock price has the potential to surge over 35% in the next year to provide shareholders with a return of over 37%. Moreover, Open Text's earnings are 2.44% of the current share price, above the industry average of 1.96%.

Open Text gambles on Google Cloud

The Google Cloud partnership will allow Open Text to offer its enterprise clients access to superior artificial intelligence and machine-learning capabilities. Likewise, Google Cloud will gain preferred access to Open Text customers. The enhanced relationship is a bold move for Open Text, given

growing cross-border privacy and cybersecurity concerns.

Open Text's announcement arrives as Google joins other technology giants in [antitrust hearings](#) before the U.S. House Judiciary Committee. Compounding the issue, U.S. president Donald Trump accused Google of cooperating with the Chinese government on sharing vital security information.

Open Text streamlines supply chain vetting

Meanwhile, Mastercard, a top U.S. credit card processor, is now collaborating with Open Text to build more cost-effective invoicing and supply chain vetting procedures. Companies face increasing government scrutiny over due diligence practices in supply chain management; companies need to make an effort to prevent servicing terrorist groups and rival governments.

Mastercard owns about 16% of the global payment market, meaning the company has access to vital financial transaction data — information imperative in protecting national security interests. The new initiative may give Open Text access to that financial transaction data to flag foreign customers and merchants with unusual commercial activity. The program targets one of the most complex supply chain networks in the world: the automotive industry.

Foolish takeaway

Open Text has more to offer investors in terms of guaranteed, long-term returns than Shopify. Shopify is still a young company; it doesn't offer a dividend, and it is far from being the next **Amazon**. That being said, the large influx of capital to Shopify stock indicate long-run investment plans — but that doesn't mean Shopify has much to offer in the way of TFSA or RRSP returns. The price of Shopify's shares could easily start a steady decline from which it will never recover.

The best bet is for smart investors to look at underpriced technology stocks like Open Text with new, disruptive engagements promising growth and stronger dividends.

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