



ALERT for All TFSA and RRSP Investors: Buy This Cheap Stock by November 30

Description

Absolute Software (TSX:ABT) offers [cloud-based endpoint visibility](#) and a control platform that provides management and security of computing devices, applications, and data for enterprise and public sector organizations. The company's unique platform provides information technology and security experts the ability to enforce asset management, security, and data compliance for computing endpoints, both on and off the corporate network.

The company has a price-to-earnings ratio of 35.57, market capitalization of \$342 million, and average performance metrics with an operating margin of 13.6%. Absolute delivers endpoint resilience and the intelligence needed to ensure security agents, applications, and controls continue functioning, fortifying endpoints and ensuring data security compliance. The company currently serves approximately 12,000 commercial customers worldwide.

The company's solutions are delivered in a software as a service (SAAS) business model, where customers access services through the cloud-based Absolute console. Absolute solutions are offered in specific versions that are available in three editions, each of which provides a different subset of product features and functionality.

In addition, Absolute's solutions are offered through partners via custom integrations. The company operates a direct sales force with responsibility for solution selling and relationship management with Absolute's end customers, as well as a channel support team with responsibility for cultivating go-to market initiatives. Commonly, a customer's initial purchase of the company's solutions will be made in conjunction with the purchase of new endpoint devices and will represent a small portion of the overall licence opportunity within that customer's environment.

The company has a portfolio of [136 issued patents](#) and 23 new patent applications in process. The market opportunity for Absolute is driven by a growing problem where enterprise computing devices are not connected to the corporate network. These pose a considerable operational challenge and security threat to organizations, because these devices may be missing or have outdated security or contain sensitive data, or the devices may be in the hands of unauthorized users. This issue is a growing concern for organizations, as employees are increasingly working from remote areas outside

the view and control provided by the traditional network-based management and security tools.

Absolute provides a solution by leveraging cloud connection capabilities, which provide a consistent connection to devices both on and off the corporate network.

The broader market opportunity for Absolute is driven by the growing occurrence of data breaches and cyber attacks on organizations, together with the increased prevalence of mobile work forces and the increasing regulatory and corporate emphasis on information security and data privacy. Worldwide spending on security-related IT solutions is forecast to reach \$174 billion in 2022; however, 70% of data breaches continue to originate on endpoint devices.

The company's total revenue in the most recent quarter was \$25.7 million, representing a year-over-year increase of 6%. The company's annual contract value base was \$99.1 million, representing an increase of 7% year over year, earnings before interest, taxes, depreciation, and amortization was 28% of revenue, and cash generated from operating activities was \$7.5 million.

Overall, Absolute looks like an inexpensive way for Canadians to gain portfolio exposure to SAAS and other cloud-based solutions.

CATEGORY

1. Investing
2. Tech Stocks

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1. TSX:ABST (Absolute Software)

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