



## Missed Subscribing the Red-Hot Dye & Durham (TSX:DND) IPO? Consider Buying This TSX Stock

### Description

Shares of **Dye & Durham** ([TSX:DND](#)) [debuted](#) with a bang on the Toronto Stock Exchange (TSX). Its shares surged about 80% at the time of this writing, leading Investment Industry Regulatory Organization of Canada to halt trading temporarily.

The tech company offered 20 million shares at an IPO price of \$7.50 per share. The stock jumped to \$13.50 at 12.23 a.m.

Dye & Durham provides cloud-based software and services to legal and business professionals. The company's platform helps legal professionals to instantly gain access to public records, thus improving efficiency and increasing productivity.

With its red-hot IPO, Dye & Durham stock could continue to head north thanks to its strong blue-chip customer base. Investors should note that the shares of the tech companies continue to outgrow the broader markets by a wide margin this year. Shares of **Shopify**, **Kinaxis**, **Docebo**, **Real Matters**, and **Enghouse Systems** have marked stellar gains so far this year and continue to sustain the momentum.

However, if you have missed subscribing to its IPO, consider buying this TSX tech stock for outsized gain.

### Rally in this tech stock has only just started

Shares of **Absolute Software** (TSX:ABT) are up about 69% year to date. The company offers a security platform for apps, data, and computing devices. Absolute Software's firmware-embedded endpoint visibility and control platform and real-time remediation of security breaches continue to drive demand, which is sustainable in the long run.

Absolute Software's majority of revenues are recurring in nature, which supports its strong cash flows. Its annual contract value base continues to rise steadily, thanks to the stellar client base that includes Fortune 500 companies and leading banks across the world.

Investors should note that it has managed to expand the contract value base consistently in the last seven quarters. Steady growth in contract value base indicates that its future recurring revenues are likely to increase. Its client retention rate remains very high, which is encouraging.

As a large number of people move online to work and learn, the demand for its software and solutions are going to accelerate further.

## Bottom line

Absolute Software is witnessing steady demand in its enterprise and government verticals. Meanwhile, the education vertical, which was been witnessing low demand, should pick up pace as universities move online.

Despite the recent surge in its stock, Absolute Software stock looks [attractive on the valuation front](#). Both of its next 12-month price-to-cash flow and EV-to-sales ratios are lower than the industry average, which indicates further room for growth.

Meanwhile, the company lacks direct competitors, which is a significant long-term tailwind. Also, its balance sheet has virtually no debt, implying that the company could capitalize on expansion opportunities through acquisitions.

The company generates about 87% of its revenues from North America. However, growing global security spend indicates that Absolute Software has a significant opportunity to accelerate its sales internationally.

The company's top-notch client list, high retention rate, solid underlying business, and inorganic growth opportunities indicate that the rally in its stock has just started. Also, it offers a decent dividend yield of over 2%.

## CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

## TICKERS GLOBAL

1. TSX:ABST (Absolute Software)

## PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Sharewise
6. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing
3. Tech Stocks

**Date**

2025/08/14

**Date Created**

2020/07/17

**Author**

snahata

default watermark

default watermark