



## This Small Cap Stock Can Be a Post-COVID Winner

### Description

It has been noted by investors that the COVID-19 pandemic has resulted in massive gains within the technology sector. However, if you look closely, it is very specific types of tech companies that appear to be beneficiaries of pandemic. Upon further examination, it appears that the companies which allow society to continue in a work from home setting have [skyrocketed in value](#).

Examples of Canadian tech companies that have benefitted from the pandemic include **Docebo** (enterprise e-learning), **Dye & Durham** (corporate services), and **Shopify** (e-commerce). In fact, these gains have not been restricted within the tech sector. Companies in other sectors that allow society to continue from home have seen generous increases as well. Other companies to note have been **Goodfood Market** ([TSX:FOOD](#)) and **WELL Health Technologies** ([TSX:WELL](#)).

In this article, I will discuss another company that seems poised for growth in a post-COVID world.

### Which small cap stock is poised for growth?

Founded in 1993, **Absolute Software** (TSX:ABT) is a Vancouver-based company that specializes in endpoint security and data risk management. The company serves customers in many industries including education, healthcare, and government. In a world that has forced many companies to shift to work-from-home organizations, Absolute's products are more vital than ever.

The company's goal is to allow organizations to recover and resume operations after experiencing security breaches. This allows the company to work alongside other large tech companies which offer security solutions instead of seeing them as competitors. As of this writing, Absolute reports over 12,000 global customers, more than 135 patents, and its products are factory-embedded by 25 top device manufacturers.

### Does Absolute check boxes off on my investment checklist?

Absolute Software is led by [company president and CEO](#) Christy Wyatt. Although I prefer investing in

founder-led companies, Wyatt is a very experienced and well-respected individual in the technology sector. Prior to joining Absolute, Wyatt was the president and CEO of Good Technology, which has since been acquired by **BlackBerry**. She has also been recognized many times for her work within the industry and was recently named among the Top 100 Women in Cybersecurity for 2020 by *Cyber Defence Magazine*.

The company has been reporting net profits since 2018. However, it continues to grow. In fiscal year 2020, Absolute reported \$105 million in total revenue. This is a 5.8% growth over its annual revenue in 2019. Absolute also has no debt on its balance sheet, which shows that the company has been able to modestly grow without accruing large amounts of debt.

As of this writing, Absolute Software stock has gained 81.60% over the past five years. However, from September 2015 until the start of 2020, its stock had increased just under 6%. It is unclear whether the company is currently benefiting from a massive surge in new customers or if it is simply riding the current work-from-home stock wave.

## Foolish takeaway

Absolute Software is another company that has seen massive gains since the outset of the COVID-19 pandemic. Since hitting its bottom during the market crash, Absolute Software has increased more than 200%. The company is led by an experienced CEO and does not carry any debt on its balance sheet.

However, the company's stock has not shown a long history of strong growth. Because of this, I would keep the company on my watch list to see how it executes in the near term. However, this could be one of the big winners in a post-COVID world moving forward.

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2. Tech Stocks

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## TICKERS GLOBAL

1. TSX:ABST (Absolute Software)

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## Date

2025/08/22

## Date Created

2020/09/14

## Author

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