



These 3 High-Growth Tech Stocks Can Double Your Investments in the Next 4 Years

Description

The pandemic has hastened the digitization process. Many businesses are advancing their digital strategies, while people prefer to work, learn, and shop from their homes. So, this structural shift has created a long-term tailwind for tech companies. Meanwhile, here are three companies that can double your investments in the next four years.

Real Matters

Amid the slowdown in economic activities, the central banks in the United States and Canada slashed interest rates to historically low levels, which has created a strong base for refinancing activities that could last many quarters. So, **Real Matters** ([TSX:REAL](#)), which provides technological solutions for mortgage lenders and insurance providers, has benefited from the increased refinancing activities with a higher utilization rate of its platforms.

Meanwhile, many mortgage lenders are facing scalability and performance issues with their existing vendors amid the surge in refinancing activities. With its nationwide presence, strong network capabilities, and proprietary platforms, Real Matters is well equipped to expand its client base and market share.

Amid the recent pullback in technology stocks, Real Matters is trading at a 22% discount from its 52-week high. Its forward price-to-earnings and enterprise value-to-sales stands at 28.6 and three, respectively. With the company's [net revenue growing at over 50%](#), the company's valuation looks attractive. So, given its growing addressable markets, increasing market share, and attractive valuation, [I am bullish on Real Matters](#).

Absolute Software

With the surge in remote working, e-learning, and online shopping, the threat of cyber-attacks has increased, raising the demand for endpoint security and data risk-management solutions benefiting **Absolute Software**

(TSX:ABT).

Its ARR (annual recurring revenue), an indicator of its future revenue stream, has been rising for the last few quarters. At the end of June quarter, its ARR stood at \$108.3 million, a year-over-year rise of 11%. Further, it earns 95% of its revenue from recurring sources, which is encouraging.

Amid the favourable environment, Absolute Software's stock price has risen by over 102% this year. Meanwhile, I believe the rally has more legs to go, given its growing addressable market, high customer retention rate, and innovative product portfolio. Gartner estimates the spending on endpoint security to reach US\$56 billion by 2023, which could drive the demand for the company's services.

Descartes Systems

My third pick would be **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)), which provides software solutions to logistics-intensive businesses on a SaaS basis. The company has over 20,000 clients spread across 160 countries. Over the last five years, the company has returned over 230%, driven by strong fundamentals. In the first two quarters of this fiscal year, the company's top line and adjusted EBITDA have increased by 5.8% and 13.8%, respectively.

Amid the pandemic, many SMBs have taken their businesses online, leading to a surge in e-commerce business. Meanwhile, the increase in e-commerce sales has increased complexities for supply chain companies, given the demand for order flexibility and low-cost deliveries. So, I believe the demand for Descartes Systems's services to rise, as logistics companies look to optimize their operations to meet their customers' changing needs.

The company currently trades at a forward price-to-earnings and enterprise value-to-sales multiples of 41.4 and 12.9, respectively. Although its valuation looks expensive, I believe it is rightly justified, given its strong growth prospects.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:ABST (Absolute Software)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:REAL (Real Matters Inc.)

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Date

2025/07/05

Date Created

2020/10/21

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