



## This 1 Obscure Tech Growth Stock Could Double Your Money

### Description

The TSX Venture Exchange is home to many good, emerging companies. The most massive sector in the exchange is mining, but if you take a closer look, you might be able to pick up some real hidden gems from many other industries as well. Many investors stay clear from the sector simply because they think companies trading on the junior exchange are not “mature” enough for the main exchange.

That’s not the case. Many venture exchange companies are well-established businesses with long and proud histories in their respective industries. One such company is **Sangoma Technologies** (TSXV:STC).

### A normal tech company

Sangoma Technologies is a Markham-based company that specializes in business communication solutions. The total market capitalization of the company is \$322.18 million. It has been in business since 1984 and has a pretty impressive global footprint with corporations and SMB clients in over 150 countries.

The company’s product line is a comprehensive blend of old and new. It still offers the conventional phone solutions it probably started with and the relatively more modern VoIP systems crucial for business communications. Sangoma is not a disruptive company in the tech sector; neither does it bring something new to the table. But the company seems to have developed a stable clientele and is slowly but steadily growing.

### An amazing growth stock

Sangoma has been a [great growth stock](#), especially in the past five years. The recent growth phase the company went through (after the March crash) can be chalked up to the whole hype around the tech sector. But the company was growing at a rapid pace even before that. Still, even if we only consider the recovery, the company is now trading at a price that's 141% higher than its worst point in March.

This stock would have doubled your money in half a year if you had invested when it was in a slump. But it's not too late to lock in that little growth monster in your portfolio. The company's current five-year CAGR is 63.26%. Even at half this rate (31.63%), it can turn your \$5,000 investment into about \$19,700. That's almost four times your initial investment. Sangoma might take just under three years to double your money.

Sangoma Technologies have a strong enough balance sheet, and it has been growing its revenues at an incredible pace. Its yearly revenue in 2019 was over six times more than the revenue five years back (2015). Its last quarter results are also impressive compared to last year's. With the [kind of growth](#) the company is offering, it's no wonder that the \$2.9 per share stock is overvalued.

## Foolish takeaway

If you are planning to add some growth to your portfolio, Sangoma can be a strong start. Even in its overvalued condition, the company might have the potential to grow more. If the pandemic stays with us, effective communication systems would be the key to keeping workplaces productive, and companies like Sangoma can thrive in such an environment.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:STC (Sangoma Technologies Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Investing
2. Tech Stocks

### Date

2025/07/05

**Date Created**

2020/10/21

**Author**

adamothonman

default watermark

default watermark