

### ALERT: Buy Canada's Best Software Stock

### Description

**Enghouse** (<u>TSX:ENGH</u>) provides enterprise software solutions focusing on remote work, visual computing and communications for <u>next generation software defined networks</u>. The company's growth strategy focuses on acquisitions, which is funded through operating cash flows. The company is well capitalized and has no long-term debt.

The company's interactive management group specializes in customer interaction software and services designed to facilitate remote work, enhance customer service, increase efficiency and manage customer communications across enterprise networks. The segment's customers include insurance companies, telecoms and banks.

Enghouse's asset management group provides a <u>portfolio of software and services solutions</u> to a number of verticals such as cable operators, network telecommunication providers, media, transit, defense and public safety companies. The company's products include network infrastructure, operations support systems and business support systems. This group also provides fleet routing, scheduling, transit e-ticketing and automated fare collection services.

## **Rational capital allocation**

The company is focused on building a consistently profitable enterprise software company with a diversified product suite and global market presence. Enghouse has a strong balance sheet with large cash reserves. Deploying capital on acquisitions and replacing capital through strong operating cash flows is pivotal to Enghouse's acquisition strategy. This allows it to pursue further acquisitions without the need to obtain financing.

## **Best-in-class innovation**

The company emphasizes the importance of recurring revenue streams to increase shareholder value and the predictability of operating results. While Enghouse continues to develop and enhance the company's existing product portfolio to grow organically, it augments this strategy with new and complementary technology, products and services obtained through acquisitions. This approach allows Enghouse to provide a broader spectrum of products and services to the company's customer base more quickly than through organic means alone.

### Intelligent business strategy

Enghouse's strategy is focused on completing acquisitions that broaden the company's depth in the markets it serves, both geographically and functionally. Enghouse invest in new technologies to further expand the company's product suite, and maintains a healthy balance sheet to provide maximum flexibility in executing a planned strategy.

### **Diverse product offering**

The company's diverse product offering and expanding market share has richly benefited all shareholders. The company is very disciplined in capital spending and only deploys capital when acquisition targets can be acquired at bargain valuations.

The company focuses product development efforts on application solutions that meet the specific needs of Enghouse's target marketplaces and provide business value to the customer. The company's development efforts focuses on the increasing importance of voice recognition, 5G wireless, and mobile solutions that offers the end user increased flexibility.

# Established meaningful partnerships

The company's larger customers often require a fully integrated solution that may be beyond the scope of the Enghouse's current product offering. Hence, the company forms strategic alliances with key systems integrators to increase market penetration.

Enghouse commits significant resources to the development of industry leading applications. In addition, to ensure rapid time-to-market and to reduce development costs, the company utilizes third party software with core software applications.

Overall, Enghouse appears to be the best Canadian software company with significant potential to dominate the enterprise software industry

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