



## 4 Best Canadian Tech Stocks to Add to Your Portfolio Right Now

### Description

Despite the resurgence of the coronavirus, the Canadian stock market is holding strong. However, high growth tech stocks that went through the roof in 2020 have witnessed a fair amount of selling in the recent past. Expensive valuation and expected normalization in growth rate has led Canadian tech stocks to shed some of their gains.

The decline in the shares of these top tech companies presents a buying opportunity for long-term investors. The valuation of these companies could soon appear normal as growth picks the pace. Meanwhile, I expect these companies to deliver stellar growth over the next decade.

### Enghouse Systems

**Enghouse Systems** ([TSX:ENGH](#)) has created a significant amount of wealth for its investors over the past several years. The solid appreciation in its stock price reflects the company's stellar financials. Notably, Enghouse's revenues and earnings have increased at a double-digit rate over the past five years, thanks to the continued momentum in the base business and strategic acquisitions.

Despite the easing of lockdown measures, I expect the demand for Enghouse's products and services to remain elevated to drive its stock higher. Furthermore, its solid capital allocation strategy, momentum in the base business, zero debt balance sheet, and strong operating cash flows position it well to deliver robust sales and earnings. Further, its dividends are expected to grow at a double-digit rate in the coming years.

### Dye & Durham

I expect **Dye & Durham** ([TSX:DND](#)) stock to deliver sky-high returns in the coming years on the back of astounding growth in its revenues and adjusted EBITDA. The company is performing exceptionally well, driven by continued demand and benefits from its recent acquisitions.

I believe its large and diversified customer base, growing international footprint, higher revenues from the existing clients, and robust acquisition pipeline position it well to deliver strong growth. Furthermore, up-selling opportunities, long-term contracts, high retention rate, and revenue

diversification bodes well for future growth. Dye & Durham expects its adjusted EBITDA to mark more than 100% growth over the next two fiscal years, which will likely support the [uptrend in its stock](#).

## Absolute Software

I expect **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) stock to benefit from the favourable industry trends. Meanwhile, its low valuation and sustained momentum in the base business indicate further upside in its stock.

The higher spending on cybersecurity threats is likely to drive demand for Absolute Software's endpoint security software. Furthermore, a large addressable market, zero debt balance sheet, and strong momentum across all business divisions are likely to support its growth. Also, low direct competitive activity, cross-selling, and geographic expansion are likely to accelerate its growth rate. Absolute Software's EV-to-sales multiple of 4.8 is lower than peers and renders it an attractive value bet.

## Lightspeed POS

I am bullish on **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) and expect the company to [outperform the TSX-60 Index](#) by a wide margin in the long run. Notably, its recurring subscription and transaction-based revenues are likely to grow at a breakneck pace, reflecting higher demand for its omnichannel payments platform.

I expect Lightspeed's top line to grow at a solid double-digit rate, reflecting benefits from the continued growth in the base business and strategic acquisitions. Lightspeed's strategic acquisitions are driving its customer base and strengthening its position in high-growth markets.

Further, product expansion and continued growth in its average revenue per user augur well for future growth. Thanks to its solid fundamentals and good growth catalysts, Lightspeed is a must-have stock in your portfolio.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:ABST (Absolute Software)
3. TSX:DND (Dye & Durham Limited)
4. TSX:ENGH (Enghouse Systems Ltd.)
5. TSX:LSPD (Lightspeed Commerce)

### PARTNER-FEEDS

1. Business Insider

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

**Category**

1. Coronavirus
2. Dividend Stocks
3. Tech Stocks

**Date**

2025/08/26

**Date Created**

2021/05/24

**Author**

snahata

default watermark

default watermark