



3 Top Tech Stocks to Buy in July 2021

Description

Some investors are worried that the stock market is making an all-time high. They wonder when the next market correction will come, but no one has a crystal ball.

Besides, it's a market of stocks. You can focus on the ones that are doing well. Here are three [top tech stocks](#) that are breaking out and could be great buys in July 2021.

WELL Health stock

WELL Health Technologies ([TSX:WELL](#)) made its way from the **Toronto Venture Exchange** to the **TSX** in January 2020. Since then, the growth stock has appreciated 377%.

The company is actually more of a healthcare stock than a tech stock, but it is using technology to improve healthcare in Canada. It has been an acquirer of both clinical and digital healthcare assets with the goal of improving physician efficiency and patient experience.

Its 2020 revenue included approximately 27% tech-related revenue. The revenue mix could change from quarter to quarter as the company expands. For example, in the first quarter, tech-related revenue, including software and cybersecurity services, contributed 54% of total revenue.

The diversified business encompasses areas of telehealth, electronic medical records, digital health apps, billing, cybersecurity, and gastroenterology anesthesia. So, it's really a one-stop stock if you're looking to invest in the new healthcare era optimized by technology.

This week, there seems to be a rotation of money back into the digital health industry. The tech stock has appreciated about 12% so far this week. Taking a step back, WELL Health stock has essentially traversed in a sideways channel since late 2020. The tech stock could very well break out and continue on its next leg up. Upside of 36% is possible over the next 12 months.

CloudMD stock

CloudMD Software & Services ([TSXV:DOC](#)) is also in the [digital health](#) industry, but it's about 26% the size of WELL Health based on market cap. As noted earlier, this week, there's been a rotation of money back into the space, which has also triggered a rally in the tech stock.

As a smaller company that sold off more than WELL Health stock, it experienced a more powerful rally than WELL stock, up about 20% this week as of writing. It trades at a lower valuation than WELL Health and has greater multiples expansion potential. Another upside of 77% is possible over the next 12 months.

This amazing tech stock should be on your radar

You want this amazing tech stock in your radar. **Converge Technology Solutions** ([TSX:CTS](#)) stock has doubled year to date and has appreciated 680% in the last 12 months!

The latest pop of 5% yesterday was due to its latest acquisitions of sister companies Vicom Infinity, an IBM mainframe solutions provider, and Infinity Systems Software, a leading supplier of software and services for IBM platforms for more than 20 years. They mark the 21st and 22nd acquisitions completed by Converge since October 2017.

Converge is paying a total of about \$18.4 million for the acquisitions, equating to a very reasonable multiple of roughly 2.5 times adjusted EBITDA. They are expected to be immediately accretive to the business, boosting its adjusted EBITDA and almost doubling its revenue.

M&A and the conversion to the cloud for the mid-market are the key growth strategy of Converge. The company has proven its integrating and cross-selling capabilities to be super effective.

Management also seems to underpromise and overdeliver. The latest acquisitions already bring the company's annual revenue to \$2 billion, achieving the year end's revenue target. It also has a pattern of growing its adjusted EBITDA at a faster rate than revenue. Its adjusted EBITDA margin was 7.4% in Q1 with room to expand to 10% by 2025 from a shift of business mix with a greater composition of software versus hardware.

The stock still only trades at less than one times sales, while it still has tremendous growth potential from its expansion plans across North America and Europe. That's why investors should highly consider buying the stock immediately in July 2021.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:WELL (WELL Health Technologies Corp.)
2. TSXV:DOC (CloudMD Software & Services Inc.)

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