8 Additions to the TSX Index: Buy 2 Canadian Tech Stocks Now!

Description

Here’s some exciting news that came out last Friday! Eight stocks are being added to the **S&P/TSX Composite Index** before September 20, as a part of a quarterly update. As a result, funds that aim to replicate the index will also be adding shares of these stocks.

Without further ado, here are the TSX stocks being added:

- **Birchcliff Energy**
- **Bombardier** Class B
- **Converge Technology Solutions** (TSX:CTS)
- **Docebo**
- **K92 Mining**
- **MTY Food Group**
- **TELUS International**
- **WELL Health Technologies** (TSX:WELL)

Monday was Labour Day, so the stock market was closed. This means the first reactions of the stocks were felt on Tuesday.

As of writing, the investing community has caught wind of this news. Interestingly, as of writing yesterday, only two of these stocks have rallied meaningfully. Specifically, Converge and WELL Health have both climbed 5%, respectively, on the day. Let’s explore why investors are most bullish on them.

Any investor can benefit from growth stocks purchased at an attractive valuation. Converge and WELL Health seem to provide that.

An incredible tech stock still growing fast

Converge has been an astounding tech stock, giving little opportunity for investors to buy on dips. The growth stock hardly dipped in the last year. At best, it provided times of consolidation, at which time interested investors had to decide whether to buy at a breather close to an all-time high after the stock's big rally.

Time and time again, the tech company increased its worth by stealthily working in the background under the radar. Since October 2017, the tech stock has completed 23 acquisitions and steadily expanded its offerings across cloud, managed services, advanced analytics, cybersecurity, digital infrastructure, and IT talent acquisition.

The team works diligently in cross selling as well, increasing the accretive value of each acquisition. Consequently, its adjusted EBITDA growth tends to outpace its revenue growth, which is an absolute delight to see for investors.

For example, in the last quarter, it reported revenue growth of 52% to $345.3 million over the prior year's quarter, while its adjusted EBITDA, a cash flow proxy, climbed 86% to $21.7 million.

On a forward basis, Converge stock still appears to be cheap after the 5% pop. That said, after it pops, it would usually dip a little. Interested investors could take the opportunity to nibble some shares to get a position started in the growth stock. The tech stock is just expanding into Europe, which should open up new markets geographically.

WELL Health

WELL Health is another tech stock you should consider buying today. The company is growing at a rapid pace digitizing the healthcare industry and making strategic acquisitions along the way.

Last quarter, the growth stock reported year-over-year revenue growth of 484% to $61.8 million, which was driven by the CRH Medical acquisition as well as a 432% jump in WELL Health's virtual services revenue.

WELL Health's latest acquisition is the majority stake of WISP, which provides telehealth and e-pharmacy solutions, across 50 states in the U.S., specializing in women's health. WISP's run-rate annualized revenue of US$30 million and high organic growth are excellent additions to WELL Health's business.

The Foolish investor takeaway

Converge and WELL Health are some of the top tech stocks you should get a piece of immediately! They provide long-term growth potential at an attractive valuation.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:WELL (WELL Health Technologies Corp.)

PARTNER-FEEDS

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

PP NOTIFY USER

1. kayng
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date
2025/09/27
Date Created
2021/09/08
Author
kayng