



Top 4 Technology Stocks for This Upcoming Week

Description

The year started out with big gains for value stocks. However, over the summer, TSX technology stocks have come back with a vengeance. The **S&P/TSX Capped Information Technology Index** is up 34.5% this year versus the **S&P/TSX Composite Index**, which is only up 18.9%.

TSX tech stocks should keep outperforming

While valuations are starting to feel stretched, there are still opportunities if you are willing to think long term. Here are four top-quality [technology stocks](#) to check out this upcoming week.

Descartes Systems

Descartes Systems ([TSX:DSG](#))([NASDAQ:DSGX](#)) is a TSX stock you have likely never seen in the financial news or media. Yet its global logistics network and cloud-based supply chain software are vital components for hundreds of businesses across the world.

Last Wednesday, it announced fiscal 2022 [second-quarter results](#). Revenues and adjusted EBITDA grew 25% and 35%, respectively. Adjusted EBITDA margins hit 44% — a very impressive picture of profitability. This TSX stock has \$128 million of net cash and is perfectly positioned for long-term compounding growth.

Enghouse Systems

Enghouse Systems ([TSX:ENGH](#)) posted its third-quarter results on Thursday last week. While year-over-year comparables continue to be challenged (sales and adjusted EBITDA were down 11% and 8.5%, respectively), the company is still a cash-generating machine. It sits with \$184 million of net cash on the books. Investors may need to be patient, but this company is very good at allocating capital over the long term. Not to mention, this stock is relatively [cheap](#) here.

Nuvei

Nuvei ([TSX:NVEI](#)) stock is up an astounding 106% year to date. Since the start of the year, Nuvei has consistently been hitting profitability, and it appears the rapid scaling of its platform is now paying off.

It has been growing revenues by a CAGR of 55% and EBITDA is growing even faster. Last week, it announced an attractive payments acquisition in Latin America, which should continue to bolster its international brand and presence.

Constellation Software

Last week, **Constellation Software** ([TSX:CSU](#)) was on a buying spree. Among its segments, it announced five international acquisitions across the U.K., France, Brazil, and the U.S.

It is comforting to know Constellation is doing what it does best — that is, acquiring niche market software businesses that competitively generate years of re-investable free cash flow. This TSX stock is always expensive to buy but always justifiable over the long run.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:ENGH (Enghouse Systems Ltd.)
5. TSX:NVEI (Nuvei Corporation)

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