



Forget Shopify (TSX:SHOP)! 2 TSX Tech Stocks to Buy Instead

Description

The battle for dominance in the e-commerce space continues, as **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) threatens the leadership position of American retail giant **Amazon.com**. Industry observers agree that the Canadian e-commerce platform is a disruptive force in online shopping.

Amazon's revenue growth (29.3%) between 2015 and 2020 lags Shopify's impressive 70.2%. Regarding stock performance in the last three years, Amazon (78.88%) isn't up to par with the TSX's superstar (775.45%). However, some investors find the \$1,828.89 price of Shopify too expensive at this point.

Two tech names trade for exceedingly less but offer massive [growth potential](#). **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) and **Sylogist** ([TSX:SYZ](#)) are rare gems in the IT sector. Both are growth stocks, yet they pay dividends. You can buy one or both instead of Shopify.

Connectivity and security solutions

Absolute Software operates in a [high-growth market](#) and will benefit tremendously from the "work-from-anywhere" era. Management said the fiscal year 2021 (July 1, 2020, to June 30, 2021) was a transformational year, with milestones and several accolades.

The \$726.35 million security and data-risk management firm met the requirements to cross-list on the NASDAQ in October 2020. After the fiscal year in July 2021, it completed the purchase cash of NetMotion Software Inc, the leader in connectivity and security solutions. The year also saw the tech firm receive the Cybersecurity Excellence Award for Cybersecurity Company of the Year.

The focus of most organizations today is securing data and devices. Absolute Software is known as a provider of next-generation Endpoint Resilience solutions. Its security platform helps more than 13,000 customers globally, including educational institutions, become secure and have more effective IT departments.

According to Christy Watt, Absolute's CEO, the shift to the work-from-home environment was natural

for the company. In fiscal 2021, revenue grew 15% from fiscal 2020, although net income dropped 65%. Still, management expects adjusted revenue growth of between 11% and 13% in fiscal 2022.

Scalable business model

Sylogist underperforms year to date (-7.55%), although it carries a strong buy rating from market analysts. They forecast the current share price of \$10.57 to climb 49% to \$15.75 in the next 12 months. The total return could be higher if you include the 4.73% dividend. Absolute Software trades at \$14.67 per share (-1.88% year to date) and pays a 2.18% dividend.

The \$252.58 million technology innovation company provides enterprise information management solutions to public and private sector customers. Sylogist caters to government agencies, NGOs, non-profit groups, and K-12 schools. It also offers secure payment-processing solutions for point-of-sale and e-commerce transactions.

Currently, the customer base is around 1,500 worldwide. The COVID-19 pandemic continues to adversely affect bookings and professional services, although management expects recovery to come in the coming months.

Sylogist boasts a High Customer LTV (long average tenure) of +20 years. Business growth is inevitable, given the scalable service model that should drive customer lifetime value higher in the coming years. Moreover, the multi-year customer agreements ensure predictable recurring revenue.

Emerging tech superstars

Shopify has, for the second time in three years, ranked number two on the [TSX30](#) list. It was the top growth stock in 2020 and is second to **Aura Minerals** in the 2021 edition. This year, Absolute Software is also on the list at 24th place, while Sylogist is charting a course to accelerate organic and inorganic growth. Both companies are the TSX's emerging tech superstars.

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:ABST (Absolute Software)
4. TSX:SHOP (Shopify Inc.)
5. TSX:SYZ (Sylogist Ltd.)

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