



3 Awesome, Undervalued Tech Stocks to Buy in 2022

Description

The [technology sector](#) powered the TSX during the COVID year but took a breather in 2021 in favour of energy investments. However, it could revitalize Canada's primary stock market once more in 2022. Investors can take early positions this month in undervalued tech stocks with massive [growth potential](#).

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)), **Sylogist** ([TSX:SYZ](#)), and **Evertz Technologies** ([TSX:ET](#)) are emerging superstars. These tech stocks are rare gems, too, because all three are [dividend payers](#). You can earn in two ways next year: price appreciation and dividends.

A resilient end-point security solution

Resilient cybersecurity for devices, data, and security controls has never been critical than today. According to some end users, the endpoint security solution of Absolute Software gives peace of mind to any security team and is perfect for a remote workforce.

The \$556.49 million company's endpoint security solution is factory-installed by every major PC manufacturer. No other company can take pride in that except this Vancouver-based firm, which provides a cloud-based endpoint visibility and control platform. Furthermore, Absolute's Endpoint Resilience solution is the industry's only undeletable defence platform.

In Q1 fiscal 2022 (quarter ended September 30, 2021), revenue grew 53% to US\$43.7% versus Q1 fiscal 2021. The company reported a net loss of US\$7.6 million following the US\$8.7 million acquisition expense and integration costs. Absolute Software trades at a discount (-24.6% year to date), although market analysts have a 12-month average price target of \$19.15 (+71.4%). The dividend yield is 2.86%.

Mission-critical SaaS solutions

Sylogist is a niche player. Its Software-as-a-Service (SaaS) solutions are trusted worldwide by, among others, K-12 school districts and boards, government agencies, and international non-government organizations. The \$284.6 million company also caters to sectors like manufacturing, warehousing, and

distribution.

Management says serving mission-critical software to the public sector is a competitive advantage. Sylogist's business model is scalable due to the high customer LTV (lifetime value). The agreements are multi-year or long term (+20 years), and recurring revenues are predictable. Moreover, there's reduced customer acquisition cost.

The company is still scratching the surface, although long-term growth is on the horizon. Bill Wood, president and CEO of Sylogist, said strategic investments would continue to accelerate growth and build capacity to enable top-line expansion. At \$11.91 per share (+4.17% year to date), you can partake of the 4.2% dividend.

Well positioned for the economic revival

Burlington-based Evertz Technologies develops and manufactures electronic systems for the broadcast and film industry. The \$1.02 billion global technology firm supplies software, equipment, technology solutions to clients worldwide. The end users are broadcasters, content creators, specialty channels, and television service providers.

Management reported glowing numbers to start the new fiscal year. In Q1 fiscal 2022 (quarter ended July 31, 2021), Evertz delivered top- and bottom-line growth of 72.5% and 2,451%, respectively, versus Q1 fiscal 2021. Besides more projects coming online, there was a general increase in business activity compared to a year ago.

Evertz looks forward to the economic revival and the industry transition to IP and cloud-based solutions. The share price is \$13.07 (+1.27% year to date), while the dividend yield is 5.51% if you invest today.

High-growth stocks

The tech sector could lead the TSX again in 2022. Investors should take positions in the three high-growth stocks now. Besides the income streams from dividends, the capital-growth potential is incredible.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. TSX:ABST (Absolute Software)
3. TSX:ET (Evertz Technologies Limited)
4. TSX:SYZ (Sylogist Ltd.)

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