



3 Tech Monsters to Watch in 2022

Description

Tech stocks in Canada tend to be more expensive (from a value investor's perspective) than stocks from most other sectors. But often, the high price tag also comes with a far better return potential than what stocks from other sectors or the broad market offer. And if you reconcile the two, the overpricing doesn't sting too much.

With that in mind, there are three tech stocks that you should keep an eye on.

A payment solutions company

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)), a private banking and [payment solutions company](#), was a mature business well before it started trading on the TSX. Since its inception, it has helped 50,000 clients in 204 countries. The success of the company's business model (at least in part) can be chalked up to the diversity of solutions it offers, including over 500 different payment solutions in over 150 currencies.

The company is well positioned for a broad-spectrum acceptance of crypto as a mode of payment and is already offering solutions for 40 cryptocurrencies. Nuvei's strength is the comprehensiveness of its payment platform, which integrates almost all the necessary elements, and the company also has an aggressive acquisition approach. Since its listing in Sept. 2020, the stock has grown 149%.

An enterprise HCM solutions company

The U.S. has a much more mature tech market compared to Canada, and one cross-listed (relatively small) [tech player](#) that you might consider investing in is **Ceridian HCM Holding** ([TSX:CDAY](#))([NYSE:CDAY](#)). It's a Minnesota-based company that offers Dayforce, a globally recognized Human Capital Management platform.

The solutions, mostly powered by Dayforce, cater to a broad spectrum of industries. The bulk of the company's revenue is recurring, thanks to Dayforce subscriptions, and if the company manages to grow its users at a steady pace, the chance of it losing its revenue streams is quite low. Ceridian

started trading on the TSX in 2018 and has grown 247% since then.

A learning solutions company

Docebo ([TSX:DCBO](#))([NASDAQ:DCBO](#)) markets itself as a “learning experiences” company. It allows its business clients not just to manage and disseminate educational/training content but track its impact through Docebo’s AI-based analytics. It joined the market at an interesting time (April 2020), when the pandemic forced businesses to adopt remote learning at an expedited pace.

However, the company’s inception is relatively old (2005), and in the last 16 years, it has established an impressive global presence with offices worldwide. It has served over 2,600 clients so far and generated annual recurring revenue of about US\$104 million by last quarter. The bulk of its clientele is in North America (72%). Its growth since its listing has been quite aggressive (493%).

Foolish takeaway

The three tech companies look promising, and not just because of how their stocks have performed so far. All three offer time-relevant and evolving solutions that will grow their respective markets over time. Adding the three [tech stocks](#) to your portfolio now might result in a decently sized nest egg in the next decade or so.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NASDAQ:NVEI (Nuvei Corporation)
3. NYSE:CDAY (Ceridian HCM Holding Inc.)
4. TSX:DAY (Dayforce)
5. TSX:DCBO (Docebo Inc.)
6. TSX:NVEI (Nuvei Corporation)

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