



2 TSX Tech Stocks That Should Be on Your Shopping List Right Now

Description

Next year, technology could be TSX's top sector, like during the 2020 COVID year. The Forbes Technology Council, a group of tech experts, predicts that technologies and trends, in general, will dominate business in 2022. In particular, adopting cloud technology and cloud infrastructures is likely to heighten.

If you're looking to [invest in tech stocks](#), **Dye & Durham (TSX:DND)** and **Telus International (TSX:TIXT)**([NYSE:TIXT](#)) should be on your shopping list. The former provides cloud-based software and technology solutions, while the latter designs and builds next-generation digital solutions. Both companies have solid growth potentials.

Building to a billion

Dye & Durham's cloud-based software and technology solutions help legal and business professionals improve and increase their efficiency and productivity. Besides legal firms, its clientele includes financial service institutions and government organizations. Also, the reach is global, with clients in Canada, Australia, Ireland, and the U.K.

In Q1 fiscal 2022 (quarter ended September 30, 2021), the \$2.6 billion company reported strong financial results. Revenue and adjusted EBITDA grew 414% and 398% versus Q1 fiscal 2021, while net income was \$22.1 million. DND's CEO, Matt Proud, said, "Our strong first-quarter results demonstrate the scale and the pace of growth that the Company has established."

Mr. Proud added, "We have a track record of out-performance that proves the strength of our business model. With our first-quarter results, we are tracking an annualized run-rate of nearly \$250 million in adjusted EBITDA." Because of its recapitalization and robust set pipeline opportunities, management will continue to execute its "Build to a Billion" growth strategy to drive growth further.

On December 6, 2021, DND announced the \$500 million acquisition of **TELUS's** Financial Solutions Business plus certain assets. According to Proud, the transaction is consistent with DND's growth strategy, and he said it would add a significant scale to its current [Canadian business](#). Moreover, the

acquisition is very well suited for its “acquire and integrate” playbook.

Performance-wise, the tech stock has gained 31.65% in the last 12 months. At \$46 per share, the company pays a modest .17% dividend.

Marquee technology

TELUS International is a subsidiary of Canada’s second-largest telecommunications company. This \$11.29 billion digital customer experience innovator offers next-generation solutions for global and disruptive brands. The tech stock is relatively new on the TSX following its successful IPO on February 5, 2021, and currently trades at \$41.60 per share.

Its president and CEO, Jeff Puritt, said its marquee technology drives solid [organic growth](#) and demonstrates ongoing momentum. In Q3 2021, new and existing clients contributed to the \$566 million revenue — a 30% increase from Q3 2020. Adjusted income grew 32% to \$70 million year over year.

After three quarters in 2021, TIXT had a free cash flow of \$152 million, 28% higher than in the same period in 2020. Management expects to end the year with revenue between \$2.17 billion and \$2.2 billion, an implied growth of 37-40%. Vanessa Kanu, CFO of TIXT, said, “We had meaningful growth in profitability in the third quarter.”

Market outlook

In both the private and public sectors, investments in tech capabilities are likely to increase in 2022. Tech stocks like Dye & Durham and Telus International should benefit significantly from this market outlook.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:TIXT (Telus International)
2. TSX:DND (Dye & Durham Limited)
3. TSX:TIXT (Telus International)

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. cliew
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/08/13

Date Created

2021/12/16

Author

cliw

default watermark

default watermark