



## 2 Tech Stocks to Buy for Under \$50

### Description

The TSX tech sector was the top performer in 2020, although it's only eighth among 11 primary sectors this year. However, market observers and stock traders are bullish on selected [technology stocks](#) in 2022. Companies like **Telus International** ([TSX:TIXT](#))([NYSE:TIXT](#)) and **Enghouse Systems Limited** ([TSX:ENGH](#)) can still thrive in a [rising interest rate](#) environment.

Both tech stocks trade under \$50 per share, so the respective prices are good entry points. The respective businesses should generate positive income and operating cash flows amid market volatility.

### The right balance of tech and human interaction

Telus International, a subsidiary of **TELUS**, engages in designing, building, and delivering higher-value digital services to global and disruptive brands. President and CEO, Jeff Puritt, said the momentum from the first half of 2021 should continue in the back half.

In Q3 2021, total revenue increased 30.2% versus Q3 2020, although net income fell 17.9%. Vanessa Kanu, TIXT's CFO, said, "With 30% year-over-year revenue growth in the third quarter, TELUS International delivered solid gains in our organic business along with contributions from prior acquisitions."

Kanu adds that apart from the strong revenue growth and leading adjusted EBITDA margins, it was a meaningful profitability growth in the third quarter. On a year-to-date basis (after three quarters), revenue and organic growth year increased 40% and 18% respectively compared to the same period in 2020.

The significant increases were due to services growth from existing clients and revenue from new ones. Other positive factors for TIXT are its good liquidity level, low borrowing costs, and improving leverage ratio. It enables management to consider or pursue high-impact, thoughtful [growth opportunities](#) within its comprehensive acquisition pipeline.

TIXT secured new business with one of the world's fastest-growing startups focused on event

technology, a large North American financial institution, and an innovative consumer electronics company. Moreover, TIXT successfully keeps with client demand, and its momentum remains positive, says Kanu.

Management expects to end 2021 with strong double-digit growth. For Puritt, the important thing is providing top global brands with the right balance of tech, as well as authentic and empathetic human interaction. TIXT trades at \$40.11 if you invest today.

## Value-for-money philosophy

Enhouse Systems provides enterprise software solutions. The solutions are critical needs in contact centres, video communications, remote work, and communications for next-gen software-defined networks. They're also for public safety and beneficial to the transit market.

In fiscal 2021 (year ended October 31, 2021), the top and bottom lines decreased 7.3% and 5.9% versus fiscal 2020. Management said the pandemic or other factors continue to impact the business. Nevertheless, Enhouse will continue to seek earnings-accretive acquisitions to grow revenue and expand its product suite and geographic reach.

Management assures investors of its commitment to profitable growth under Enhouse's disciplined business model. The business will operate consistently with its value-for-money philosophy to provide long-term shareholder value.

This tech stock trades at \$45 per share and pays a 1.42% dividend, a rarity in the sector. After three quarters in 2021, the \$2.68 billion company paid a total of \$115.7 million in dividends, including \$83.2 million as special dividends.

## Visible growth potentials

Telus International and Enhouse Systems are ripe for the picking this year end or early next year. Both companies have visible growth potentials even in a rising rate scenario.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

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2. TSX:ENGH (Enhouse Systems Ltd.)
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