2 TSX Tech Stocks That Could Double Your Money

Description

The tech stock crash has many investors running for the hills. Although the near- to medium-term uncertainties have heightened due to rising interest rates, tech stocks are still one of the best places to invest for long-term growth. Investors just need to have a long-term investing mindset and manage their risks, so they can stay invested.

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Nuvei (TSX:NVEI)(NASDAQ:NVEI) stock and **Dye & Durham** (TSX:DND) are two **TSX** tech stocks that could potentially double your money!

Nuvei stock

Unlike many other tech stocks, Nuvei stock is actually profitable. So far, it has reported results for the first nine months of 2021:

- Total volume climbed 119% to US$64.1 billion with e-commerce representing 83% of total volume.
- Revenue rose 96% to US$183.9 million.
- Adjusted net income jumped to US$62.3 million compared to US$16.5 million in the comparable period in 2020.
- Adjusted earnings per share were US$0.42 versus US$0.17 a year ago.
- Adjusted EBITDA increased 97% to US$80.9 million, equating to an adjusted EBITDA margin of 44%.
- It had a cash balance of US$288.7 million at September 30, 2021.

Here's a fair comment on Nuvei stock from earlier this year:

> "Nuvei stock has seen some good momentum in shares and profitability. The stock is trading at historically low multiples. Currently, it trades at 11 times sales. The company is profitable, which makes it less risky than other tech stocks."
> *5i Research*

Nuvei management's latest guidance is as follows: medium-term +30% annual growth for total volume and +30% annual growth for revenue. Furthermore, it has a long-term target of a +50% adjusted EBITDA margin.

According to Yahoo Finance, the current 12-month analyst consensus target, across eight analysts, of US$112 represents upside potential of 118% over the near term.

Another cheap tech stock that could double your money

Like many other tech stocks, Dye & Durham stock has been battered lately. To be specific, it's down 34% in the last 12 months, underperforming the Canadian tech sector using **iShares S&P/TSX Capped Information Technology Index ETF** as a proxy.

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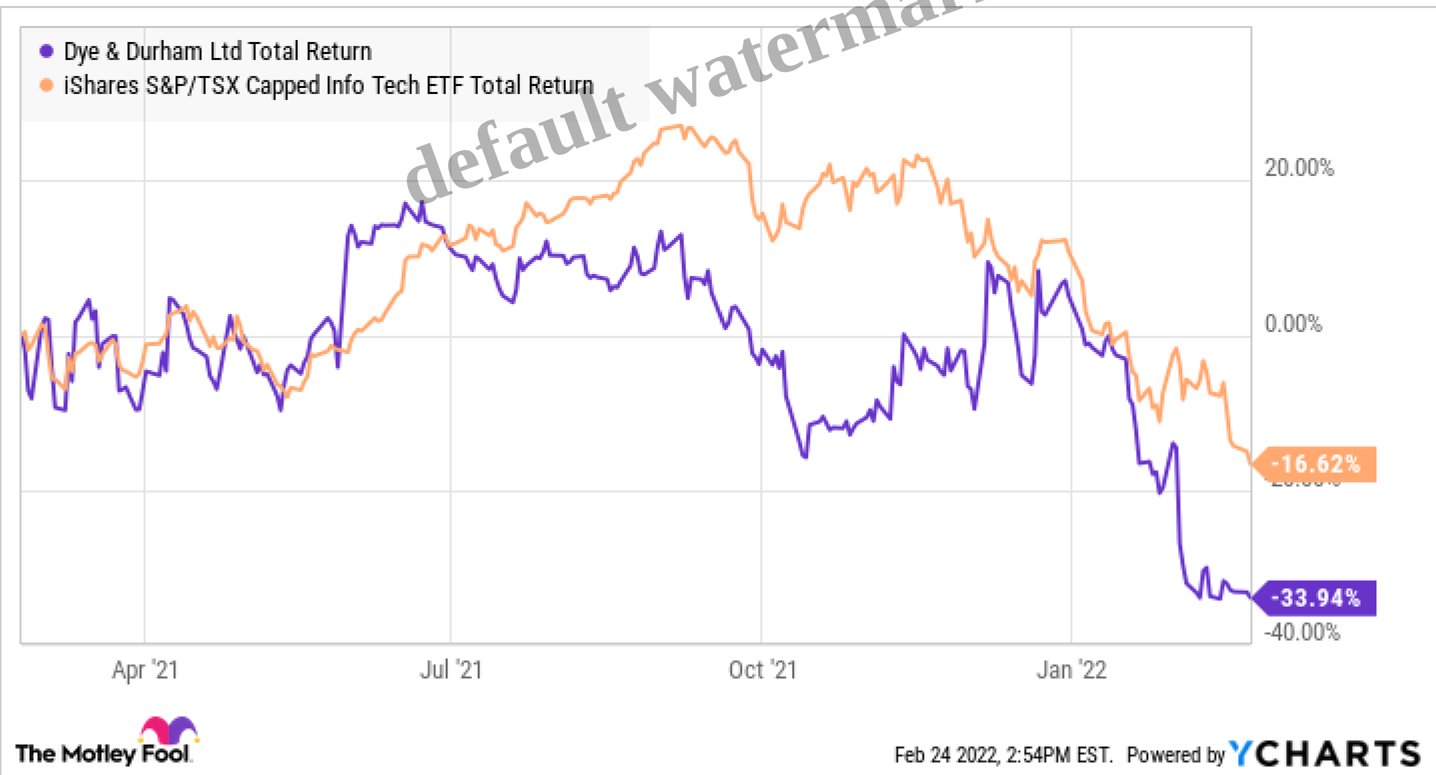

DND and XIT Total Return Level data by YCharts

The tech company just reported its fiscal second-quarter results earlier this month:

- Revenue growth of 225% to $109.6 million.
- Adjusted EBITDA growth of 267% to $62.6 million.

Dye & Durham's growth was primarily driven by the realization of revenue synergies from its acquisitions. This suggests that its growth is higher risk and could be bumpy because of its M&A growth strategy. Its recent acquisitions in December 2021 include buying Link for $3.2 billion and **TELUS's** Financial Solutions Business for $500 million.

These are large transactions to digest seeing as Dye & Durham's total assets are about $2.9 billion. However, if it's successful in the acquisitions and integrations, the tech stock can turn out to be super rewarding for investors who buy today. The current 12-month analyst consensus target, across five analysts, of $60.80 represents upside potential of 108% over the near term.

Dye and Durham is funding the Link acquisition with debt financing that's about 74% of the $3.2 billion and the remaining 26% with equity financing (at least 87% in preferred shares and less than 13% in common stock at $53 per share). The preferred shares can be converted to common shares. In the first five years, the preferred shares will accrue interest at 6.5% per year.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:DND (Dye & Durham Limited)
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