



## 3 Undervalued TSX Stocks to Buy in March

### Description

Due to the selling in equities, many TSX stocks have fallen quite a lot, providing investors a solid opportunity to buy them cheap. So, if you've got some extra cash, it makes sense to add a few top-quality stocks to your portfolio while they are trading at a significant discount. Here are three such undervalued stocks that look attractive now.

### Absolute Software

Difficult year-over-year comparisons and moderation in growth led to a selloff in **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) stock. It's worth noting that Absolute Software stock has declined by about 43% from the 52-week high. Thanks to the pullback, ABST stock is [looking attractive](#) at current price levels. It is trading at a forward EV-to-sales multiple of 3.2, which compares favourably to its historical average and peer group average.

Though the company is up against difficult comparisons, its organic sales continue to grow rapidly, which is encouraging. Its ARR (annual recurring revenues) continue to grow at a double-digit rate. Furthermore, expansion of product suite, increasing customer base, and high retention rate provide a solid foundation for growth. Also, geographic expansion and opportunistic acquisitions are likely to expand its addressable market and support its growth.

Overall, Absolute Software's multiple growth catalysts, profitable business, and low valuation support my outlook.

### Lightspeed Commerce

**Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) is a high-growth company, shares of which are available at a [reasonable price](#). Notably, concerns over its organic growth rate, short-seller report, CEO transition, and high valuation led to a significant selling in its stock. Due to the recent selling, Lightspeed stock has corrected by about 78% in six months, representing an excellent buying opportunity for long-term investors.

Lightspeed stock trades at a forward EV-to-sales ratio of 4.3, which is considerably lower than its historical average. Meanwhile, it delivered solid organic sales during the last reported quarter, which is positive.

Its subscription revenues are likely to benefit from the growing customer base and increased adoption of multiple modules by existing customers. Further, the higher penetration of its payments offerings could continue to drive transaction-based revenues in the coming years.

Lightspeed remains well-positioned to capitalize on the shift in selling models towards omnichannel platforms. Its growing scale, expansion of payments solutions to newer geographies, strategic acquisitions, product innovation, and entry into high-growth verticals bode well for growth and will likely drive its stock price higher in the long term.

## Dye & Durham

**Dye & Durham** ([TSX:DND](#)) has corrected quite a lot from its peak and is well within investors' reach. It's worth noting that Dye & Durham stock has decreased about 35% this year and is trading at an EV-to-sales multiple of 5.2, significantly lower than its historical average.

While shares of this software and technology solutions provider have corrected, it continues to grow its revenues and adjusted EBITDA rapidly. The strength in its base business and benefits from acquisitions led to an increase of 225% in its revenues during the last reported quarter. Further, its adjusted EBITDA increased by 267% during the same period.

I am upbeat over DND's prospects and expect it to benefit from strategic acquisitions and expansion into high-growth geographies. Further, it could continue to deliver strong revenues and margins, which is likely to offset the moderation in transaction volumes. Overall, Dye & Durham's low valuation and high-growth business support my bullish view.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:ABST (Absolute Software)
4. TSX:DND (Dye & Durham Limited)
5. TSX:LSPD (Lightspeed Commerce)

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