



3 TSX Tech Stocks to Buy Before They Roar Back

Description

The economic headwinds in 2022 have severely affected growth-oriented companies, especially in the technology sector. Rising inflation, multiple rate hikes, and the raging war in Eastern Europe continue to put [downward pressure](#) on tech stocks. As of this writing, the sector's year-to-date loss is more than 40%.

However, if you anticipate a strong bounce back from [tech](#) stocks, e-commerce companies like **Shopify** aren't the top investment choices. **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)), **Evertz Technologies** ([TSX:ET](#)), and **TELUS International** ([TSX:TIXT](#))([NYSE:TIXT](#)) should be on your buy list instead.

Expansion and scale

Absolute Software just had a transformative year and is ready to expand its customer base worldwide while scaling the business further. In fiscal 2022 (12 months ended June 30, 2022), the top-line grew 63% versus fiscal 2021. According to management, the total revenue of US\$197.3 million was a new record and Absolute's strongest in recent history.

In Q4 2022, Enterprise and Government annual recurring revenue (ARR) soared 70% to US\$209.5 million versus Q4 2021. Absolute Software is the only provider of self-healing, intelligent security solutions. Organizations and enterprises need these solutions to counter the threats of cybercriminals.

Christy Wyatt, Absolute Software's President and CEO, said the \$731.41 million company is well-positioned for success in fiscal 2023. The full integration of newly acquired NetMotion Software, a leading connectivity and security solutions provider, is almost complete. The outperforming tech stock trades at \$14.31 per share (+23.31% year-to-date) and pays a decent 2.25% dividend.

Ready for the economic revival and industry transition

Evertz Technologies provides solutions to the television broadcast, telecommunications, and new-

media industries. The \$1.1 billion company supplies software, equipment, and technology solutions to content creators, broadcasters, specialty channels, and television service providers.

Management has yet to report its Q1 fiscal 2023 results, although the impressive financial results in fiscal 2022 indicate a flourishing business. In the year ended April 30, 2022, revenue grew 28.6% from a year ago to \$441 million. Net earnings were \$72.72 million, a 73.3% increase from fiscal 2021.

According to management, business has improved since Q1 fiscal 2022, although customer demand remains inherently uncertain. Still, it adds that Evertz is well-positioned to benefit from an economic revival and the industry transition to IP and Cloud-based solutions. At \$14.45 per share, you can partake in the fantastic 4.95% dividend.

Double-digit revenue and profitability growth

TELUS International (-11% year-to-date) is in negative territory, but its breakout is imminent. Market analysts covering the tech stock recommend a buy rating. Their bullish sentiment stems from the strong double-digit revenue and profitability growth in the first half of 2022. If you invest today, the share price is \$37.20.

The \$9.89 billion company designs, builds, and delivers next-generation digital solutions. TIXT's services support the entire lifecycle of its customers digital transformation journeys. In the six months ended June 30, 2022, revenue (US\$1.22 billion) and net income (US\$90 million) grew 18.9% and 373.7% versus the same period in 2022.

According to management, the company stands to continue benefiting from potential vendor consolidation activity among its more than 600 global clients.

Multi-baggers

Absolute Software, Evertz, and TELUS International are potential multi-baggers. The first two are already beating the market, while TIXT should roar back if it sustains double-digit revenue and profitability growth.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

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2. NYSE:TIXT (Telus International)
3. TSX:ABST (Absolute Software)
4. TSX:ET (Evertz Technologies Limited)
5. TSX:SHOP (Shopify Inc.)
6. TSX:TIXT (Telus International)

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