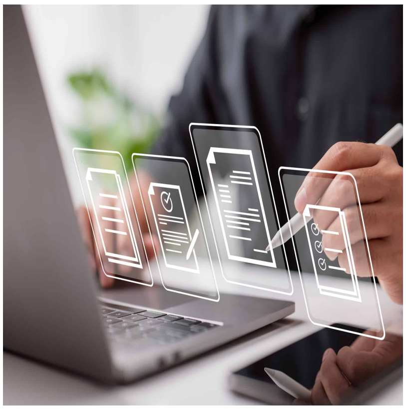

DND Stock: Ready to Soar?

Description

Dye & Durham (TSX:DND) is one of the more volatile stocks on the **TSX** today. DND stock fell at the beginning of 2022, after the company increased its prices. Clients were not impressed, leading to a drop in share price.

But then followed even more drops on the TSX due to rising interest rates and inflation. Yet DND stock basically beat the bunch, and is now in a position where it could turnaround.

So let's look at when DND stock might be ready to soar.

A solid business strategy

DND stock may be new, but what investors like about the company is its business strategy. The company provides workflow and software to legal and business professionals, giving it a stable source of income. Why stable? Because these firms include financial institutions, government institutions, and others that will be around even when the market is down.

In fact, DND stock recently reported preliminary results for its fourth quarter of 2022. Management now expects revenue of about $129 million. This will be a 53% increase over the same time the year before. What's more, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) is also up 53% to about $75 million.

For the year, DND stock should hit about $475 million in revenue, an enormous 127% increase from the year before. Meanwhile, adjusted EBITDA increased 129% and should reach $267 million over last year.

Increasing in value

While DND stock doesn't have a low price-to-earnings (P/E) ratio, it does have a lot going for it. Shares are currently down 71% year to date, which of course isn't great for the company and its shareholders.

However, a lot of those losses have come from the falling of the tech sector in general.

As you can see from above, the company has made huge improvements over the last year. This of course was in large part due to the increase in its pricing. But this made room for the company to now bring in new acquisitions as well.

This is all to say that growth doesn't look to be slowing down. So when the market recovers, DND stock should easily recover. In fact, analysts peg the stock worth around $42 per share. Meanwhile, it currently trades at just $12!

Set up to soar

Tech stocks remain down, and DND stock is certainly one of them. But if analysts are to be trusted, then DND stock could increase by 250% in the next year alone! Meanwhile, it also provides a small dividend yield currently at 0.56% that you can latch onto. And it does still offer value, with a price-to-book (P/B) ratio of 1.3 as of writing.

DND stock still looks like a solid stock to buy for long-term investors. While this year could be a banger year with the stock flirting with a 250% rise, the future is even better. Long-term investors have the opportunity to lock in shares at an incredibly low price, one not seen since the company came on the market.

And should shares reach their previous highs of around $53 per share, that would be an increase of 342% on the TSX today! So DND stock certainly deserves your attention as one to hold for now, and the future.

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alegatewolfe