



## Pason Systems Had a Wild 2022: Is it a Buy Today?

### Description

**Pason Systems** ([TSX:PSI](#)) is a Calgary-based energy services and technology company. This company provides data management systems for drilling rigs in Canada, the United States, and around the world. Today, I want to discuss Pason Systems's interesting path in 2022 and determine whether it is worth snatching up right now. Let's jump in.

### How has Pason Systems performed in 2022?

Shares of Pason Systems have climbed 36% in 2022 as of close on November 25. The stock is up 10% in the month-over-month period. Interestingly, this [energy stock](#) is still trading off the 52-week high it reached during its two surges in the spring season. Energy stocks were scorching hot in the first half of 2022 on the back of soaring oil and gas prices. That momentum [petered out](#) in the second half of the year in the face of rising interest rates, more supply, and increased fears of an economic downturn.

This stock has regained its spark after cratering in late September. Its shares may have more room to run in the months ahead.

### Why I'm excited about this stock for the long term

Canadian investors should be excited about the future of the oil and gas data management industry. The oil and gas sector will still be a key driver for Canada's economy in the decades to come. The development of this industry will aid its technological refinement and bolster profits over the long term.

Allied Market Research released a report on this industry in early 2022. It estimated that the oil and gas data management market was valued at \$15.8 billion in 2020. This report projects that the market will reach \$92.3 billion by 2030. That would represent a compound annual growth rate (CAGR) of 19%.

## Should investors be happy about Pason Systems's recent earnings?

The company released its third-quarter (Q3) fiscal 2022 results on November 2. Total revenue jumped 60% from Q3 2021 to \$92.5 million. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. It aims to give a more complete picture of a company's profitability. Pason Systems posted adjusted EBITDA growth of 107% to \$46.2 million. Moreover, it reported cash flow from operations of \$35.9 million, or \$0.43 per diluted share — up from \$19.9 million, or \$0.24 per diluted share, in the previous year.

In the first nine months of fiscal 2022, Pason Systems achieved total revenue growth of 67% to \$240 million. Meanwhile, adjusted EBITDA surged 129% to \$110 million. This company benefited from improved oil and gas industry conditions, higher demand for its products and technologies, and “strong competitive positioning and operating leverage.” Overall, it was a promising quarter for Pason Systems.

## Is this stock a buy today?

Pason Systems stock currently possesses a favourable [price-to-earnings ratio of 16](#). It is trading in more [attractive value territory](#) compared to its industry peers. Better yet, this energy stock hiked its [quarterly dividend](#) from \$0.08 to \$0.12 per share. That represents a 2.9% yield. I'm looking to snatch up this exciting TSX stock in late November.

### CATEGORY

1. Energy Stocks
2. Investing

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1. TSX:PSI (Pason Systems Inc.)

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