



## 3 Best Tech Stocks in Canada to Buy in December 2022

### Description

It's been a rough year for tech stocks. But it's starting to look like the perfect time for bargain hunting in the sector. Here are the top three [tech stocks](#) that should be on your radar for December 2022 and beyond.

### Tech stock #1

**Open Text** ([TSX:OTEX](#)) has seen its fortunes and investor sentiments turn from bad to worse, going by the 38% year-to-date decline. While the company boasts an impressive track record in shareholder value creation, growth has slowed in recent months owing to higher inflation and rising interest rates disrupting tech stocks.

While Open Text has been hit hard by the broader tech meltdown, its underlying fundamentals are not as bad as they look. Healthy demand for its solutions in the supply chain industry continues to affirm the company's long-term prospects amid the challenging economic environment.

The enterprise software provider delivered a 3.2% increase in revenue to \$3.5 billion for its fiscal year ending June 30, 2022. Free cash flow generation was up 9.4% to \$888.7 million. The company ended the year in a solid financial position with \$1.7 billion in cash. The solid cash position underscores the stock's 3.23% dividend yield.

Open Text is already looking into the future and plans to bolster its growth metrics by acquiring the British infrastructure software company **Micro Focus International**. The acquisition will strengthen the company's customer base and portfolio of software solutions.

While Open Text is trading at a discount with a [price-to-earnings multiple of 8](#), now may not be the best time to eye an investment. Staying on the fence would be an ideal play while the stock is under immense selling pressure.

## Tech stock #2

**Nuvei** ([TSX:NVEI](#)) is favourably positioned for December 2022. Rampant inflation has compelled merchants on Nuvei's network to raise prices. That means higher transaction volume and revenue for the payment processing company.

This business boost is already clear in Nuvei's recent earnings reports. In 2022, the company expects revenue to soar 15.4% and adjusted EBITDA to rise 8.8%. Those numbers are considerably smaller than Nuvei's historic average, but still better than most tech or software companies in this environment.

I expect the company to see steady revenue growth in 2023 too. Meanwhile, the stock has lost 55% of its value year-to-date. That's why investors should keep an eye on this tech stock.

## Tech stock #3

**Pason Systems** ([TSX:PSI](#)) is one of the few tech stocks that's actually created value this year. The stock is up 35% year to date. That's because it focuses on the strongest sector of the economy right now: energy.

Pason provides software tools that help oil and gas producers monitor and manage their operations. Demand for these tools should expand as North American rig counts surge in the months ahead.

The ongoing energy crisis is a tailwind for this stock. PSI currently trades for just 16 times earnings. Conservative tech investors should add it to their watch list.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:OTEX (Open Text Corporation)
4. TSX:PSI (Pason Systems Inc.)

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vraisinghani

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