



3 Top Buys in the Technology Sector Today

Description

The technology sector is home to some of the highest growth rates in the stock market today, but it is not always easy finding the right stock at the right price. In order to simplify this process, I have compiled a list of three companies that operate in different industries, and whose stocks are trading at inexpensive forward valuations compared with their five-year averages, so let's take a closer look at each to determine which one would fit best in your portfolio.

1. Constellation Software Inc.: Software

Constellation Software Inc. ([TSX:CSU](#)) is a leading provider of software and related services to a select group of public and private sector markets. At today's levels, its stock trades at 30.6 times fiscal 2015's estimated earnings per share of \$16.18 and 25.6 times fiscal 2016's estimated earnings per share of \$19.39, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 38.4. In addition, the company pays a quarterly dividend of \$1.00 per share, or \$4.00 per share annually, giving its stock a 0.8% yield.

2. Thomson Reuters Corp.: Intelligent Information

Thomson Reuters Corp. ([TSX:TRI](#))(NYSE:TRI) is one of the world's leading providers of intelligent information for businesses and professionals. At current levels, its stock trades at 23.5 times fiscal 2015's estimated earnings per share of \$2.02 and 20.7 times fiscal 2016's estimated earnings per share of \$2.30, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 42.6. Additionally, the company pays a quarterly dividend of \$0.335 per share, or \$1.34 per share annually, which gives its stock a 2.8% yield.

3. Absolute Software: Security

Absolute Software (TSX:ABT) is one of the leading providers of persistent endpoint security and data risk-management solutions. At today's levels, its stock trades at 49.9 times fiscal 2015's estimated earnings per share of \$0.18 and 36 times fiscal 2016's estimated earnings per share of \$0.25, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 144.7. In addition, the company pays a quarterly dividend of \$0.07 per share, or \$0.28 per share annually, giving

its stock a 3.1% yield.

Which of these tech stocks should you buy today?

Constellation Software, Thomson Reuters, and Absolute Software are three of the best long-term investment opportunities in the technology sector today. Foolish investors should take a closer look and strongly consider establishing positions in one of them.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. TSX:ABST (Absolute Software)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:TRI (Thomson Reuters)

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

Date

2025/08/25

Date Created

2015/07/01

Author

jsolitro

default watermark

default watermark