



3 Tech Stocks That Could Soar

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 when you are ready to buy. In order to make things easier, 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 industry averages, so let's take a closer look at each to determine which one would fit best in your portfolio.

1. CGI Technologies and Solutions Inc.: Information Technology

CGI Technologies and Solutions Inc. ([TSX:GIB.A](#))([NYSE:GIB](#)) is the world's fifth-largest independent information technology company. At today's levels, its stock trades at 15.9 times fiscal 2015's estimated earnings per share of \$3.15 and 14.5 times fiscal 2016's estimated earnings per share of \$3.44, both of which are inexpensive compared with the industry average price-to-earnings multiple of 23.9. Investors should also note that the company does not currently pay dividends, but it generates ample free cash flow each quarter and year, so it could initiate one in the very near future.

2. DH Corp.: Financial Technology

DH Corp. (TSX:DH) is one of the leading providers of financial technology to the world's financial institutions. At current levels, its stock trades at 16.7 times fiscal 2015's estimated earnings per share of \$2.40 and 15.4 times fiscal 2016's estimated earnings per share of \$2.60, both of which are inexpensive compared with the industry average price-to-earnings multiple of 26.5. Additionally, the company pays a quarterly dividend of \$0.32 per share, or \$1.28 per share annually, which gives its stock a 3.2% yield

3. Avigilon Corp.: Surveillance Solutions

Avigilon Corp. (TSX:AVO) is a leading provider of end-to-end surveillance solutions and related technology. At today's levels, its stock trades at 20.1 times fiscal 2015's estimated earnings per share of \$0.85 and 14.5 times fiscal 2016's estimated earnings per share of \$1.18, both of which are inexpensive compared with the industry average price-to-earnings multiple of 20.7. Like CGI Technologies, Avigilon does not pay a dividend as of right now, but its consistent free cash flow

generation could allow it to initiate one in the near future.

Which tech stock should you buy today?

CGI Technologies, DH Corp., and Avigilon are three of the best long-term investment opportunities in the technology sector today. Foolish investors should take a closer look and strongly consider making one of them a core holding.

CATEGORY

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

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:GIB (CGI Group Inc.)
2. TSX:GIB.A (CGI)

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