



3 Tech Stocks to Buy Right Now

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 we are ready to buy. To make things easier for you, I have scoured the sector and found three stocks that are trading at inexpensive valuations compared with their five-year averages, so let's take a closer look at each to determine which would be the best fit for your portfolio.

1. Constellation Software Inc. (All figures are in U.S. dollars)

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 35.1 times fiscal 2015's estimated earnings per share of \$16.02 and 28.9 times fiscal 2016's estimated earnings per share of \$19.44, 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 0.9% yield.

2. CAE Inc.

CAE Inc. ([TSX:CAE](#))([NYSE:CAE](#)) and its subsidiaries design, manufacture, and supply simulation equipment, provide training, and develop integrated training solutions for the defense, security, airline, and healthcare industries. At current levels, its stock trades at 17.2 times fiscal 2016's estimated earnings per share of \$0.84 and 15.5 times fiscal 2017's estimated earnings per share of \$0.93, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 17.9. Also, the company pays a quarterly dividend of \$0.075 per share, or \$0.30 per share annually, which gives its stock a 2.1% yield.

3. Absolute Software

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 75.7 times fiscal 2016's estimated earnings per share of \$0.11 and 49 times fiscal 2017's estimated earnings per share of \$0.17, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 144.7.

Additionally, the company pays a quarterly dividend of \$0.07 per share, or \$0.28 per share annually, giving its stock a 3.4% yield.

Should you buy one of these tech stocks today?

Constellation Software, CAE, and Absolute Software are three of the top value plays in the technology sector today. All Foolish investors should take a closer look and strongly consider initiating positions in one of them.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:CAE (CAE Inc.)
2. TSX:ABST (Absolute Software)
3. TSX:CAE (CAE Inc.)
4. TSX:CSU (Constellation Software Inc.)

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