



## 3 Undervalued Tech Stocks With Great Dividends to Buy Now

### Description

As investors, it's our ultimate goal to outperform the overall market each and every year. There are many ways to go about trying to do this, but one of the best and least-risky ways I have found is to buy stocks that are trading at inexpensive forward valuations and have high and safe dividend yields.

I've scoured the technology sector and selected one large cap, one mid cap, and one small cap that meet these criteria perfectly, so let's take a quick look at each to determine which would be the best fit for your portfolio.

#### Large Cap: Thomson Reuters Corp.

**Thomson Reuters Corp.** ([TSX:TRI](#))(NYSE:TRI) is the world's leading source of intelligent information for businesses and professionals, which it describes as "a unique synthesis of human intelligence, industry expertise, and innovative technology."

At today's levels, its stock trades at just 18 times fiscal 2016's estimated earnings per share of US\$2.04 and only 15.8 times fiscal 2017's estimated earnings per share of US\$2.32, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 41.9 and its industry average multiple of 24.4.

In addition, Thomson Reuters pays a quarterly dividend of US\$0.34 per share, or US\$1.36 per share annually, which gives its stock a yield of about 3.7%. Investors must also note that it has raised its annual dividend payment for 22 consecutive years, and its 1.5% hike in February has it on pace for 2016 to mark the 23rd consecutive year with an increase.

#### Mid Cap: DH Corp.

**DH Corp.** (TSX:DH) is one of the leading providers of financial technology to the world's financial institutions, including lending, payments, enterprise, and global transaction banking solutions.

At today's levels, its stock trades at just 14.2 times fiscal 2016's estimated earnings per share of \$2.63 and only 13.2 times fiscal 2017's estimated earnings per share of \$2.82, both of which are inexpensive

compared with its five-year average price-to-earnings multiple of 25.9 and its industry average multiple of 27.3.

In addition, DH Corp. pays a quarterly dividend of \$0.32 per share, or \$1.28 per share annually, which gives its stock a yield of about 3.4%. Investors should also note that it has maintained this annual rate since 2013.

### **Small Cap: Evertz Technologies Limited**

**Evertz Technologies Limited** ([TSX:ET](#)) is one of the world's leading manufacturers and marketers of video and audio infrastructure solutions for the television, telecommunications, and new-media industries.

At today's levels, its stock trades at just 16 times fiscal 2016's estimated earnings per share of \$1.05 and only 15.7 times fiscal 2017's estimated earnings per share of \$1.07, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 17.6 and its industry average multiple of 17.3.

In addition, Evertz pays a quarterly dividend of \$0.18 per share, or \$0.72 per share annually, which gives its stock a yield of about 4.3%. Investors must also note that it has raised its annual dividend payment for eight consecutive years.

### **Which of these tech stocks belongs in your portfolio?**

Thomson Reuters, DH Corp., and Evertz Technologies are three of the best long-term investment options in the tech sector. All Foolish investors should strongly consider initiating positions in one of them today.

### **CATEGORY**

1. Dividend Stocks
2. Investing
3. Tech Stocks

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NASDAQ:TRI (Thomson Reuters)
2. TSX:TRI (Thomson Reuters)

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