Buy and Forget These 3 Tech Stocks

Description

Shopify Inc. (TSX:SHOP)(NYSE:SHOP) has established itself as a tech powerhouse on the S&P/TSX Index. The Ottawa-based e-commerce giant has seen its stock increase over 150% in 2017.

Let’s take a look at three other tech stocks Canadians can target.

Sierra Wireless, Inc.

Sierra Wireless, Inc. (TSX:SW)(NASDAQ:SWIR) is a Richmond-based multinational wireless communications company that manufactures and designs equipment. The company sells machine-to-machine communications products as well as mobile broadband wireless modems. Sierra Wireless reported its second-quarter results on August 2.

Revenue jumped 11% to $173.5 million in the second quarter with especially strong growth in Enterprise Solutions. Sierra posted net earnings of $9.7 million compared to $6.4 million in Q2 2016. In the second quarter, Sierra also acquired the technology assets of Flow Search Corp. and following its earnings beat, it announced the acquisition of Numerex Corp. for $107 million.

In spite of solid second-quarter earnings, Sierra has fallen 25% since the report. Shares are still up 29% in 2017 and 47% year over year. I believe this stock is a bargain.

Kinaxis Inc.

The cloud-based supply chain solutions company **Kinaxis Inc.** (TSX:KXS) also suffered a dramatic dip in price after releasing its second-quarter results on August 8, though revenue and profit both experienced 14% growth. The company was forced to adjust its 2017 forecast due to a breach in contract from a significant Asia-based customer. After dropping almost 20% on the same day, the stock has since recovered and, as of September 12, is trading only a few dollars off of its price prior to the results release.

Kinaxis stock has increased almost 500% since its initial public offering in June 2014. In a highly competitive marketplace Kinaxis is offering solutions to businesses that are in high demand. Supply chain technology has the potential to improve efficiency and visibility within a business. Kinaxis boasts of its ability to provide returns on investment faster than its competitors. Even after a rebound, this is a good long-term buy.

Tucows Inc.

Tucows Inc. (TSX:TC)(NASDAQ:TCX) is a Toronto-based internet services and telecommunications company and the second-largest domain registrar in the world. The company announced its second-quarter results on August 8.

Revenue experienced impressive growth of 78% to $84.2 million compared to $47.2 million in Q2 2016. Net income increased 29% to $5.2 million, or $0.50 per share. Domain services more than doubled in revenue and gross margin.

Tucows stock is up 29% in 2017. The share price spiked on earnings but has been in a steady decline since — it's down 21% from the high it reached in early June. Year over year, the stock has increased 67% and a very impressive 1,000% in a five-year period. After reaching an all-time high of $86.33 in May, the stock is now hovering around the $60 mark. Heading into the final months of 2017, Tucows could be a fruitful short-term play with attractive long-term prospects. I would still rank it below the other two stocks mentioned in this article, however.

CATEGORY

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TICKERS GLOBAL

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2. NASDAQ:TCX (Tucows)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:KXS (Kinaxis Inc.)
5. TSX:SHOP (Shopify Inc.)
6. TSX:SW (Sierra Wireless)
7. TSX:TC (Tucows)

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