



## 3 Top Tech Stocks for Millennials

### Description

Are you a millennial? The good news is that you have half of the equation right. Studies have shown that millennials are good at saving. That's great news! This is an important first step.

The problem, however, is that you might still be intimidated by the stock market. As such, your generation is more conservative with its investments than any generation before you. It's easy to understand why; you came of age during the financial crisis, after all.

Unfortunately, your generation is missing out on one of the largest bull markets in history. Not sure what to invest in? Warren Buffett said it best in a 1999 letter to **Berkshire Hathaway** shareholders: "Different people understand different businesses. And the important thing is to know which ones you do understand and when you're operating within what I call your circle of competence."

In other words, invest in what you know. How about focusing on a sector that millennials know better than anyone: technology. Here are the top three tech stocks for millennials.

### Explosive share price appreciation

One of the [most impressive and reliable tech stocks](#) is **Constellation Software Inc. (TSX:CSU)**. The company is engaged in the development, installation, and customization of vertical market software.

Over the past year, the company has returned a whopping 58%! Impressed? It gets even better. It's two-year and five-year returns are 103% and 581%, respectively. That is a compound annual growth rate of 116% over the past five years. This type of long-term performance can be described in one word: incredible.

Over the past 10 years, the company has grown revenues and earnings year over year without missing a beat. The future also looks bright. Analysts estimate Constellation will grow earnings by a CAGR of 24% over the next couple of years.

### Continued outperformance

**CGI Group Inc.** ([TSX:GIB.A](#))([NYSE:GIB](#)) has one of the most ambitious growth plans in the sector. This global tech company's services include the management of IT and business functions (outsourcing), systems integration, and consulting, as well as the sale of software solutions.

In 2016, it announced expectations to double in size between 2021 and 2023. To be successful, CGI must grow at a CAGR range of 10-14%. This is well within historical averages. Analysts also expect the company to grow earnings by a CAGR of 13% over the next few years.

Year to date, the company's share price has risen 25% handily outpacing the broader market. Over the past one, two, five, and 10 years, [CGI has outperformed](#) the TSX by a significant margin. Expect this trend to continue well into the future.

### **Taking the sector by storm**

**Kinaxis Inc.** ([TSX:KXS](#)) has been one of the most successful Canadian initial public offerings of the past decade. Since it began trading in mid-2014, Kinaxis's share price has skyrocketed 661%! The company and its RapidResponse technology is revolutionizing supply chain management.

The company's explosive growth has taken somewhat of a pause, as earnings in 2018 are expected to come in below that of 2017 fiscal year end. In 2019, however, the company is expected to rebound in a big way. Analyst are expected earnings per share to jump 26% year over year.

Analysts are extremely bullish on the company's prospects with 12 rating Kinaxis a "buy." The lone holdout has the company as a "hold."

Long-term consistency and expected growth make these three stocks the perfect investments for millennials.

### **CATEGORY**

1. Investing
2. Tech Stocks

### **TICKERS GLOBAL**

1. NYSE:GIB (CGI Group Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:GIB.A (CGI)
4. TSX:KXS (Kinaxis Inc.)

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