



Gain Control of Your RRSP With This Top Tech Stock

Description

Do you want to sail through your life with the comfort of knowing that your [retirement](#) savings are secure and that your retirement will be well funded?

Gaining control of our RRSP is surely something that all of us would like to do. In this goal, preservation of your capital is just as important as growing your capital.

If we can strike a good balance between the two, we have an RRSP that will ensure prosperous retirement years.

Without further ado, here is a [tech stock](#) to buy that will set you on the right path to achieve this.

CGI Group ([TSX:GIB.A](#))([NYSE:GIB](#))

With a long history of shareholder value creation, CGI has commanded respect from investors and its industry for many years now.

As a Canadian leader in IT services, this company has successfully grown through organic growth as well as acquisitions.

CGI stock has provided its shareholders with an almost 800% return over the last 10 years. That's a compound annual growth rate (CAGR) of 24%!

Solid management and future opportunities can be expected to continue well into the future, as the world increases its drive to become more and more technologically proficient in an attempt to garner all the cost and revenue benefits.

CGI is not a cheap stock, but it is a case where, in my view, we should be happy to pay up for quality.

Organic revenue growth has returned, and while it was only 3% in the latest quarter, considering that it is off a revenue base of \$11.5 billion in 2018, it is significant.

We can feel optimistic with regard to future organic growth, as all key indicators, such as backlog and the book-to bill ratio, point to accelerated growth continuing into the future.

In the latest quarter, backlog was \$23.3 billion, up \$2.2 billion, and the book-to-bill ratio was 102%, or 116% in the trailing 12 months.

Cash flows are huge

In the last five years, the company has grown its free cash flow from \$458 million in 2013 to more than \$1.1 billion in 2018. That's a CAGR of 19%!

And the growth is not over yet.

At this point in time, CGI still has a big opportunity to continue along its growth trajectory, with a focus on higher-margin business further increasing the company's margins over time and the possibility of future acquisitions.

With a stellar balance sheet and a large cash balance, the company is just biding its time as it waits for the right acquisition at the right price.

CATEGORY

1. Investing
2. Tech Stocks

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Date

2025/07/22

Date Created

2019/03/21

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