2 Tech Stocks to Buy Today and Forget About for 7 Years

Description

Canadian tech stocks remain some of the most lucrative, yet under-appreciated stocks on the market. In the U.S. market, the dominant tech players are extremely well known, and they've done exceptionally well carving out sections of the market that will continue to drive earnings and innovations forward for the next decade, with the key examples including all members of the FAANG group.

In Canada, there's another group of tech stocks that pose a similarly attractive opportunity for long-term investors. Here's a look at some of those companies and why it would be best to buy now and sit on the stocks for the next seven years.

BlackBerry's back!

BlackBerry (TSX:BB)(NYSE:BB) has always been a polarizing stock for investors; you either love it or hate it. Unfortunately, over the course of the past decade, most long-term investors have edged more toward ignoring the Waterloo-based company, particularly as dwindling device sales forced the company down a path of deep cuts, a new management team, and a vastly different business model.

Today, BlackBerry is a completely different company, and that's a great thing. The company has adopted a software-first approach and is a market leader on multiple fronts including IoT Asset tracking, Cybersecurity consulting, automotive infotainment systems and its growing suite of Enterprise suite software and services.

Even the once iconic BlackBerry hardware is making a renaissance thanks to a slew of licensing agreements with preferred vendors around the world. This lets BlackBerry focus on new initiatives, such as autonomous driving, where its QNX platform, which already exists in over 120 million vehicles, has huge potential.

BlackBerry recently announced results for the full fiscal year, which saw the company earn a profit of US$95 million, with revenues of US$904 million. While both of those numbers are lower than the previous year, the key points for investors to note are that the company surpassed expectations in the most recent quarter, met all of its guidance targets for the fiscal, and is now forecasting revenue growth of up to 27% for fiscal 2020.

There are more than a few games to like here

Investors that have traditionally taken a wait-and-see approach or completely avoided investing in the **Stars Group** (TSX:TSGI)(NASDAQ:TSG) until now may want to take a second look at the company. The Stars Group is a software-focused company that develops online card and casino games available in selective markets around the world. The realm of online gambling still is a bit of a taboo to many, and the Stars Group has had more than its fair share of troubles in the past, which has discouraged investors.

Still, the company poses a massive opportunity for investors, particularly over the long-term thanks to several compelling reasons.

First, there are the acquisitions that the company made last year, which included the well-known U.K.-based Sky Betting and Gaming. Sky has massive market appeal and will extend Stars Group's reach into a new market and to new age groups, such as the younger mobile-yielding groups.

Further to this, synergies from the deal are likely to reach $100 million annually, and the Sky deal also helped Stars further diversify from its suite of Poker games, which was a common concern of more critical investors.

Second, there's the overall market potential. While Sky will open some markets to the Stars Group, there are still more markets out there that the company doesn't operate in as of yet. In fact, the Stars Group only has reached into 21 jurisdictions around the world, with approvals in other markets still planned or pending approval. For the next fiscal, Stars Group is forecasting $355 million in gaming revenue.

Finally, there's timing. Year-to-date, Stars Group is up just shy of 8%, which not only pales the market, but much of that growth has been witnessed in the past month alone. In fact, looking back over the past six-month period shows that the stock is actually down over 20% and steadily lifting itself out from that low, making it an ideal moment to buy at a discount that won't be around for long.

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1. Investing
2. Tech Stocks

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