3 Top Tech Stocks to Buy Right Now

Description

There's no doubt about it. The tech industry in Canada has been on fire lately, with companies like **Shopify**, **Kinaxis**, and **BlackBerry** all making a mark on the TSX in the last year.

It now has many investors wondering what the next big thing could be. Given that these last three companies are on the **S&P/TSX Composite Index,** another good bet would be to dig into other tech stocks that help make up that list.

So let's take a look at three that deserve your tech attention.

Altus

Altus Group Ltd. (TSX:AIF) is one of those companies that has found a niche market that it can take complete advantage of, similar to Kinaxis. The software, data solutions, and independent advisory services provider focuses in on the global commercial real estate market, and this market apparently has been working for them. Since its initial public offering (IPO) in 2005, the company's stock has increased 208%.

Altus is continuing that growth through acquiring businesses around the world, such as One11 Advisors that handles real estate software consulting. These acquisitions may continue, as the company has strong recurring revenue that has seen double-digit growth during the last three quarters.

While 2018 wasn't exactly what investors had hoped for, it did see a lot of overseas deals. The company has begun expanding into Europe and Asia markets, meaning that investors can look forward to even more recurring revenue.

CGI

Another strong long-term purchase is **CGI Inc.** (TSX:GIB.A)(NYSE:GIB), a global information technology consulting, systems integration, outsourcing, and solutions company. But what investors have been interested in is the amount of crazy cash this company continues to bring in.

In the last five years alone, the company has grown revenue by 9.5% to $11.5 billion, with its free cash flow growing from $458 million to $1.1 billion in that time. While investors might think this means growth should slow down, the company has no plans to do so. In fact, it aims to double in size in the next five to seven years. As with Altus, it hopes to achieve this through acquisitions along with organic growth.

If the stock price climbs along with it, shares could double from the $102 per share mark they trade at as of writing.

Open Text

Finally, we have **Open Text Corporation** (TSX:OTEX)(NASDAQ:OTEX), a stock that has been quietly – but steadily – growing since 1998, with a share increase of 1,915% in that time!

The tech company has focused in on its rapidly expanding cloud business, using its 61% increase in free cash flow to make two acquisitions in the field. These recent acquisitions and synergies have management believing that free cash flow should only increase more in the coming years.

Yet the stock is still undervalued, which is why investors should get in now, even after the recent deal with **Alphabet Inc.** that sent shares soaring. About 74% of the company's revenue is recurring, so that cash flow should remain stable for years as the company continues to expand. It also means that it can support growth of its 1.70% dividend, which it plans to do by more than 10% per year.

Foolish takeaway

You don't have to pay premium prices to get in some stellar Canadian tech stocks. In fact, these three stocks offer investors a way to get in on the ground floor, with a solid future outlook that should leave cash flow and shares growing for years to come.

CATEGORY

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3. TSX:AIF (Altus Group Limited)
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