



3 Canadian Tech Stocks With Huge Upside

Description

Canada is widely becoming known as the techiest country in the world. While we may not have Silicon Valley, some of the best and brightest companies around the world are right at our back door.

That means Canadian investors have some of the greatest opportunities for investing, especially when they have a Tax-Free Savings Account (TFSA) to use. By using a TFSA, investors can buy up these stocks with no fear of heavy taxes from the government.

So, let's look at some options for your tech portfolio.

Sierra Wireless

Sierra Wireless ([TSX:SW](#))([NASDAQ:SWIR](#)) is a long way away from the \$215 share price at the turn of the millennium, trading at the time of writing at \$15.35 per share. But that shouldn't deter investors. In fact, right now is the perfect opportunity to buy up this stock before another breakthrough.

That break comes from the transitional year happening at Sierra, where a new CEO sees the massive potential for a growth stock like Sierra. Rather than reinvent the company, like the last management team attempted, new CEO Kent Thexton is implementing a cost-cutting plan, targeting a total of \$40-50 million within two years, with little to no debt to pay down.

This strategy has worked for many a company in the past, and there's no reason it shouldn't work for Sierra too. Its products offer recurring revenue with long-term assured growth, with its LPWA network modules growing by an industry estimates of as much as two billion by 2022. That means Sierra's revenue could hit \$1.25 billion by 2023 and [could double](#) or even triple in stock price during that period.

CGI

While Sierra might be trading near its lows, **CGI Group** ([TSX:GIB.A](#))([NYSE:GIB](#)) is trading at all-time highs. The company has gained 24% year to date. But that shouldn't scare you away from this stellar

tech stock.

That growth in share price comes from the company's strong history of growth in revenue, making it the perfect long-term buy for your TFSA. In the last five years, the stock has grown its revenues by 9.5%, with its CAGR growing a whopping 19% in that time. The company doesn't look to be slowing down its growth anytime soon, with the goal to double its size in the next five to seven years.

That leaves investors with the potential to see a huge jump in stock price as the company continues to grow. Analysts project the stock could rise to \$120 in the next 12 months alone — a potential upside of 18% at writing.

Celestica

Finally, we have **Celestica** ([TSX:CLS](#))([NYSE:CLS](#)), a stock similar to Sierra in that after reaching around \$115 per share back near the millennium, shares plummeted to where they trade now at \$8.51. This share price comes off the back of its capital equipment segment that underwent cyclical decreases in demand, which led to some disappointing earnings reports.

But also like Sierra, this had led to the company making some cut backs, setting up Celestica for [greater efficiency](#) and therefore greater profitability. That leaves investors who buy up the stock now with the opportunity to make a killing — that is, if they're willing to wait and don't mind a bit of risk.

Analysts don't see the stock dropping much further and predict it to rise to even \$15 per share in the next 12 months — a potential upside of 76%!

Foolish takeaway

While the tech industry can be a bit risky, these stocks provide an opportunity for investors to get in at a turnaround moment. Whether it's through cutbacks or extreme growth, all three of these stocks are positioned for massive increases in the next decade. Though investors beware: it could be a bit of a wait. So, as always, do your own research before committing to any stock.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. NYSE:CLS (Celestica Inc.)
3. NYSE:GIB (CGI Group Inc.)
4. TSX:CLS (Celestica Inc.)
5. TSX:GIB.A (CGI)
6. TSX:SW (Sierra Wireless)

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