



2 High-Growth Tech Stocks That Actually Pay Dividends

Description

There are a few things that you get and other things you don't when it comes to tech stocks. On the one hand, tech stocks have become a proven way to make significant gains — depending on the stock, of course. On top of that, the industry is heating up right now, meaning there are ample opportunities to buy up tech stocks that should continue producing returns for years to come.

Yet, on the other hand, what you usually *don't* see are dividends. Tech stocks usually take those funds and put them towards innovative projects to continue the substantial growth investors are used to seeing. However, I did use the word *usually*.

Here I have two tech stocks that have both the proven history of growth, the potential for future growth, and actually dish out dividends. These stocks are a great addition to any portfolio, so let's dig in to two options right now.

Open Text

Open Text ([TSX:OTEX](#))([NASDAQ:OTEX](#)) has been around for 20 years but has recently been hitting headlines as if it's a brand-new company. Its partnerships with large brand names such as **Mastercard** and **Alphabet** have put Open Text at the forefront of conversations surrounding the tech industry.

But these partnerships are actually quite a recent phenomenon of Open Text. Before that, the company was all about acquisitions, taking up a lion's share of the market before turning to partnerships with its proven presence in information management. However, its recent quarterly report left a bit of a sour taste in the mouths of investors. Revenue was down by 1% compared to last year, and net income down 3% from last quarter. But Open Text seems to have a solution.

The company will take some focus away from customer support and put those funds towards recurring revenue sources, mainly subscriptions. This will bring up revenue for the long term from 2020 and beyond, as the company [continues to grow](#) organically and through acquisitions and partnerships.

This way, investors shouldn't fear about the company losing its 1.64% dividend of \$0.92 per share per

year and can focus on the company's future growth potential. If you had put your 2009 Tax-Free Savings Account contribution room of \$5,000 on Open Text, today you would have \$26,245.83 and \$477.48 per year in dividends.

Cogeco

Another dividend producer of the tech industry is **Cogeco Communications** ([TSX:CCA](#)). The company has been on a hot streak since September of last year, climbing about 65% in that time as of writing. It was mainly just recovering after the market downturn until February, when it announced it would sell its Cogeco Peer 1 cloud services company for \$720 million, which was completed on May 1.

As the company continues to move towards Infrastructure as a Service enterprises, it's also announced some solid earnings. It beat analysts [earnings expectations](#) by 11% with earnings per share of \$1.96, with its cash balance growing five times in the last year. That makes earnings per share hit an average of 9.6% growth per year over the last five years.

This and the sale should be music to the ears of dividend investors, who can then look at the company's 1.98% dividend yield of \$2.10 per share per year and know it's safe. While investors might want to wait for the share price to drop a bit, as it's now hitting all-time highs, Cogeco is a proven investment that still has future potential. Again, a \$5,000 investment in 2009 would be worth \$19,566.56 today, with dividends of \$386.40 per year.

Foolish takeaway

While it can be hard to find a mix of growth and dividends, Open Text and Cogeco certainly offer both. Each stock is in a prime position for future growth, making the right moves for investor confidence in the future of each company. On top of that, each has a dividend that — while it isn't the largest — is certainly strong within an industry that usually chooses to skip that step.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. TSX:CCA (COGECO CABLE INC)
3. TSX:OTEX (Open Text Corporation)

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Author

alegatewolfe

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