

## Investors: These 3 Tech Stocks Will Make Your Jaw Drop!

### Description

When it comes to technology stocks, they are often a hit or miss. On one hand, you have companies like **Shopify**, which has increased 1,200% since its IPO, but on the other hand, you have companies like **Information Services**, which has increased a mere 2.31% over the past five years.

Based on my research, the three tech stocks that I would recommend to anyone with a TFSA or RRSP are **CAE** ([TSX:CAE](#))([NYSE:CAE](#)), **Constellation** ([TSX:CSU](#)), and **Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)).

### CAE

CAE is in the business of delivering training for the civil aviation, defence, security, and healthcare markets. It specializes in simulators and synthetic exercises in place of live-training experiences.

Its aviation division is the favoured service provider by a myriad of airlines, which includes **Air Canada**, Emirates, Japan Airlines, and Singapore Airlines, just to name a few. Simulators give aspiring pilots the opportunity to practice real-life scenarios without the fuel and lost-revenue costs of operating a real plane.

Investors who'd bought CAE at the beginning of the year would be [generously rewarded](#) with returns of 31.33% to date! There are signs that suggest the company will continue to increase; operating income has grown from \$280 million in fiscal 2014 to \$418 million in fiscal 2018.

### Constellation

This little-known company is an international provider of market-leading software and services to the vertical market segment.

The vertical market describes a market whereby companies offer goods and services specific to an industry. This is the opposite of a horizontal market, which offers goods and services to a large group of customers.

Constellation's [growth is centered](#) on acquisitions of number one and number two companies in different vertical markets. This allows it to cater to a variety of clients while positioning itself for successful amalgamations. Similar to CAE, its operating income increased from \$199 million in fiscal 2014 to \$530 million in fiscal 2018.

### Open Text

Arguably one of the oldest tech companies on the TSX, Open Text was listed on the stock exchange in

1998.

It was created from a project between the *Oxford English Dictionary* and the University of Waterloo. Its software allows users to aggregate, retrieve, archive, and search unstructured information (such as emails, documents, and presentations)

Contrary to unstructured data is structured data, which is easily searchable using basic algorithms, such as data from machines or spreadsheets. Given the challenge of searching unstructured data, Open Text has found a niche market in which it is thriving.

Similar to the first two stocks, its operating income is also increasing from \$362 million in fiscal 2015 to \$603 million in fiscal 2019.

## Summary

When it comes to tech stocks, it pays to be selective about what you invest in. The high growth of the technology industry comes at a considerable cost if you invest in the wrong company.

Not to brag, but the three stocks I have just listed will deliver superior returns to its investors.

CAE is the go-to simulation company for airlines around the world; Constellation offers the greatest breadth and depth of services for the vertical market segment; and Open Text can take thousands of e-mails, documents, or presentations and give meaning to them.

With increasing operating incomes for all three companies and share price growth in excess of 25% this year, investors willing to put money into these stocks will be generously awarded.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. NYSE:CAE (CAE Inc.)
3. TSX:CAE (CAE Inc.)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:OTEX (Open Text Corporation)

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