



## Tech Investors: The Best Stocks for 2020

### Description

2020 is shaping up to be the year of technology stocks. Investors across the world are pouring billions into cutting-edge tech companies and exciting new startups. Valuations are higher than ever across the board, which makes it difficult for investors to join the surge at fair prices.

Nevertheless, investors always overlook some delightfully profitable opportunities, even in the heat of a raging bull market. Here are two overlooked Canadian tech stocks I think you should add to your list and keep a close eye on for the rest of 2020.

### Absolute Software

Last year, it became clear that even the world's most powerful tech billionaire, Jeff Bezos, wasn't immune to the threat of cyberattacks. His phone was hacked, and private messages were allegedly used in an effort to extort money from the multi billionaire. This sort of attack is unbelievably common and is usually targeted at small- and medium-sized businesses.

Vancouver-based **Absolute Software** (TSX:ABT) has been helping these small businesses fight back for years. The company creates endpoint security software that enables a business owner or systems manager to tightly control enterprise devices such as tablets, laptops, and smartphones.

These tools have made Absolute a key player in a global market that could be worth an estimated [US\\$134 billion by 2022](#). In recent years, the company has been restructuring its leadership team to tap into this massive market more aggressively. Now it seems poised for double-digit annual growth.

The company currently generates \$98.9 million in revenue (96% of which is recurring) and extracts a hefty 84% gross margin. The stock trades at just 31 times earnings per share and offers a 3% dividend yield. For investors, the stock is a slow-burn growth story that deserves closer attention.

### 5G champion

I've previously mentioned the fact that **Sierra Wireless** ([TSX:SW](#))([NASDAQ:SWIR](#)) was at the forefront of every mobile technology evolution over the past two decades. From the first generation of

wireless network connectivity to the latest 4G standard, Sierra's modules and gateways have played a pivotal role.

Now, the telecommunications industry is bracing for yet another massive step towards faster and more efficient wireless communications. 5G technology could make internet speeds up to a hundred times faster and multiple times more efficient than today's standard.

Sierra is already well positioned for a windfall when telecom giants and original equipment manufacturers start using its devices to connect to the new network. Meanwhile, the stock price seems thoroughly underappreciated. This 5G stock currently trades at just 1.14 times book value and less than annual sales per share.

When the 5G rollover picks up steam, Sierra stock could bolt to a much higher valuation. Investors may have a rare opportunity to add some exposure now.

## Bottom line

Technology stocks with attractive valuations and robust cash flows are rare. However, even at the height of the bull market some companies are overlooked by growth-seeking investors. The two stocks mentioned here are relatively undervalued when weighed against their true market potential. Investors should keep a close eye on them both throughout this year.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:ABST (Absolute Software)
3. TSX:SW (Sierra Wireless)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Investing
2. Tech Stocks

## Tags

1. Editor's Choice

### Date

2025/08/16

### Date Created

2020/02/19

### Author

vraisinghani

default watermark

default watermark