



Top 3 Tech Stocks That Are Immune to COVID-19

Description

The economy is in a deep freeze, as the world tackles the pandemic. For investors, there's never been more uncertainty about the future. No one knows how long the economy will sag, what the world will look like when this is over or, indeed, *when* it will finally be over.

However, one thing seems increasingly clear three months into this crisis: technology has been a saviour. Technology companies have seen demand for their services surge dramatically as more people live, work and shop online than ever before. With that in mind, here are the top three Canadian tech stocks that seem immune to the COVID-19 chaos.

Enterprise tech stock

After a brief dip in March, **Enghouse Systems** ([TSX:ENGH](#)) stock has more than recovered its market value. Year to date, the stock is up 14%.

Enghouse Systems is a software enterprise conglomerate. Its growth is driven by acquisitions of smaller software companies. Fortunately, some of its latest deals were focused on a sector that has now become absolutely crucial: online video.

According to the company, three of its five acquisitions in late 2019 and early 2020 were for video software firms. These firms have seen increased demand from enterprises and healthcare institutions since the pandemic erupted.

Meanwhile, the company is in robust financial shape to survive the economic downturn. Its debt-to-equity ratio is a mere 9.5%. In other words, it has \$10 in net worth for every dollar in debt. The company also has \$116 million in cash and cash equivalents on its books. That's plenty of dry powder to acquire more software firms as valuations compress in 2020.

Currently trading at 34 times forward earnings, I believe Enghouse deserves a spot on your tech stock watch list for 2020.

Cybersecurity tech stock

While the surge in demand for video conferencing and online shopping grabs headlines, the need for digital security seems to have flown under the radar. A remote workforce requires more cybersecurity than a team working in a controlled environment. **Absolute Software** should see this surge in demand imminently.

The stock is up even more than Enghouse: 25% year to date. Despite that surge, the valuation seems as reasonable as ever. The trailing price-to-earnings ratio is 30, while the dividend yield is 2.9% at current market price.

Absolute is a reasonably priced stock in an aggressively expanding and lucrative market. That's a rare combination.

Health tech stock

While enterprise software and cybersecurity are certainly critical, healthcare technology is absolutely essential in this crisis. **WELL Health Technologies** has spent years trying to disrupt the healthcare sector. It provides software to medical professionals and operates its own network of data-driven clinics in British Columbia.

However, the company's most recent acquisition puts it at the forefront of a much more exciting trend: [telemedicine](#). The company acquired a major stake in Insig Corporation, a telemedicine leader. This partnership allowed the company to launch VirtualClinic+, a platform that connects patients with doctors through messaging and video conferencing.

These ventures could bolster growth for the nascent firm throughout this pandemic and beyond. That's why it's my favourite tech stock for 2020.

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