



## 2 Tech Stocks to Buy Right Now

### Description

It's time to buy tech stocks. These companies have led the market higher for years. And due to the coronavirus pandemic, some are valued at too-good-to-be-true prices.

My clear favourites are **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) and **Constellation Software** ([TSX:CSU](#)). The first company is a hidden gem, despite its brand-name [recognition](#). The second is a proven winner that can [grow](#) your money at rapid rates for years to come.

The timing is now perfect to scoop up these tech stocks.

### Forget everything

To understand BlackBerry, you need to forget everything you know about the company. Over the past five years, this business has executed an *incredible* turnaround.

The biggest thing to know is that BlackBerry doesn't manufacture smartphones anymore. It's not that kind of tech stock. Today, the company is completely focused on cybersecurity software. This is already one of the fastest-growing markets on the planet, but over the next few years, it will also be one of the largest.

The growth in cybersecurity is fueled by a proliferation of endpoints. Everything that connects to the internet can be hacked. And right now, we're connecting devices at an unprecedented pace. Watches, washing machines, and vehicles are all becoming "smart" products. That last item, vehicles, could be the biggest opportunity of all.

Right now, millions of cars can connect to the internet. Whether it's a connection for music streaming or a critical safety feature like lane assist, these advancements make cars and trucks vulnerable endpoints. When vehicles go fully autonomous, the cost of being compromised becomes catastrophic. No one wants to ride in a vehicles that can be remotely transformed into a speeding bullet.

This is where BlackBerry comes in. Its QNX platform, for example, is specifically designed to secure

vehicle endpoints. It's already installed in 150 million vehicles worldwide. Nine out of 10 global manufacturers use BlackBerry's software. It's for this reason that BlackBerry is one of the hottest tech stocks today.

The company is building a high-margin, rapid-growth, recurring revenue stream right before our eyes. At three times sales, the stock is too cheap to ignore.

## This tech stock wins

Constellation is like a late-stage BlackBerry. Not only is it capable of incredible growth, but it has the track record to prove it.

Instead of cybersecurity, Constellation focuses on more boring software products that serve niche industries like pharmaceutical manufacturing and timber logistics. There's not a lot of competition here. That reduces pricing pressure and ensures sky-high renewal rates. Most of the time, there isn't even a competing product to switch to.

Constellation has used this niche focus to its advantage. Since 2006, shares have risen *80 times* in value! A \$5,000 investment would have become \$400,000 in fewer than 15 years. This is one of the best-performing tech stocks in Canadian history.

Constellation is still growing sales at double-digit rates, with returns on invested capital remaining above 30%. For this proven record of success, you'll have to pay. Shares are priced at 6.7 times sales, more than *twice* the valuation of BlackBerry.

You can avoid this price premium by looking at earlier-stage growth stocks, but Constellation has more than earned its valuation.

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1. Investing
2. Tech Stocks

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1. Editor's Choice

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2. TSX:BB (BlackBerry)
3. TSX:CSU (Constellation Software Inc.)

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