



My Top Tech Stocks Under \$20

Description

The **S&P/TSX Composite Index** fell 38 points on July 16. Markets have continued to build momentum in the face of a troubled economy. This has stirred anxiety among investors of all stripes. Today, I want to focus on Canada's small technology sector. Namely, I want to look at some of my favourite tech stocks that are priced under the \$20 mark.

This top tech stock is a rising star in cybersecurity

Towards the beginning of 2020, I'd explained why investors looking long-term should seek [exposure to the cybersecurity space](#). The COVID-19 pandemic may have a revolutionary impact on the way we work. If working from a home office becomes more common, it will require more investment into the digital space. Security will be a huge focus for companies with so many remote workers. Tech stocks in cybersecurity are some of my favourites.

Absolute Software (TSX:ABT) develops, markets, and provides cloud-based endpoint visibility and control platform for the management and security of computing devices, applications, and data for enterprise and public sector organizations. Its shares have climbed 69% in 2020 as of close on July 16. The stock is up 90% year over year.

In Q3 FY2020, the company achieved revenue growth of 5% from the prior year to \$26.1 million. Absolute maintained its full-year outlook on revenue between \$103 million and \$106 million. Moreover, the company boosted its expectation for adjusted EBITDA to between 21% and 25% of revenue. This illustrates Absolute's robust business in the face of a devastating pandemic.

Better yet, this tech stock also offers a quarterly dividend of \$0.08 per share. This represents a 2.2% yield.

One stock that will benefit from the growth of wireless communications

In February, I'd discussed the rollout of the 5G network and how investors could get in on the [telecommunications transformation](#). Telecom companies have been powered by wireless growth in recent years. The COVID-19 pandemic has encouraged even more Canadians to trim their cable packages in order to save money.

Sierra Wireless is not a telecom, but it does provide device-to-cloud Internet of Things (IoT) solutions around the world. It is well-positioned to benefit from the growth of wireless in Canada and abroad. Shares of this tech stock had dropped 4.5% in 2020 at the time of this writing.

In Q1 2020, the company saw revenue decline 9.3% year-over-year to \$157.6 million. The IoT Solutions segment experienced impressive service revenue growth of 17%, fuelled by growth in connected devices. Meanwhile, its net loss more than doubled to \$22.7 million.

Shares of Sierra last had a favourable price-to-book value of 0.9. Moreover, the company also possesses an excellent balance sheet. Sierra is a volatile tech stock that is still worth your attention in July.

Don't sleep on this tech stock in the summer

Quarterhill was founded in the early 1990s as a wireless technology company. However, it has transitioned to one focused on the acquisition and management of tech companies with global reach. Shares of Quarterhill have climbed 21% in 2020 so far.

The tech stock last had a P/E ratio of 32 and a P/B value of 0.9, which puts it in favourable value territory relative to industry peers. Quarterhill is notable for its immaculate balance sheet. Moreover, the company recently achieved profitability.

CATEGORY

1. Investing
2. Tech Stocks

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