



## Forget Air Canada (TSX:AC)! Invest in This Tech Stock Instead

### Description

Everything is [wishful thinking](#) for investors hoping to get rich from the rebound of **Air Canada** soon. The optimism is understandable given the airline's record of remarkable comebacks. However, the impact of COVID-19 on air travel worldwide is brutal. Passenger demand is nearly non-existent despite decisive actions to keep people safe.

Airline stocks are not the [best investment choices](#) today. It's better to look at companies with recognizable growth potentials heading into the near future. Canadian firm **Absolute Software** (TSX:ABT) in the cybersecurity space is an exciting prospect. Unlike Air Canada, this tech stock has wings to fly in 2020 and beyond.

### Trace-and-track origin

Absolute Software was established in 1993, primarily to curb laptop theft. "LoJack for Laptops" was the original name before it became Computrace. The company is the developer of the theft recovery service for laptops. You can install the software in your laptop. It will launch at startup, although undetectable.

If the thief goes online, he's unaware the stolen laptop logs on to the LoJack server and identifies itself. The software alerts Absolute Software and provides the user's Internet address. An ISP or enterprise contacts police authorities to pinpoint the thief. You find Absolute's LoJack on laptops of Dell, HP, and other prominent computer brand names.

### The leader in endpoint security

Absolute Software has evolved to become one of the world's top cybersecurity companies from a provider of track-and-trace solutions for laptops. This \$1 billion company specializes in endpoint security and data risk management solutions. With the massive complexity surrounding enterprise endpoint environments, expect explosive growth.

Many companies and organizations have problems relating to enterprise endpoint devices. When the IT and security can't maintain foundational security hygiene practices, especially the inability to patch critical vulnerabilities, endpoint security defence weakens.

Security spending is increasing, but companies are making poor investment decisions. According to Christy Wyatt, President and CEO of Absolute Software, "Increasing security spend annually is not guaranteed to make us more secure." All IT and security teams need the kind of intelligence that will ensure endpoint controls are functioning effectively and resilient in their respective endpoint environments.

## Reversal of fortune

Air Canada delivered a total return of 86.86% in 2019 versus Absolute Software's 16.87% gain. In 2020, it's a reversal of fortune. As of August 12, 2020, the tech stock is ahead 82.63% year-to-date, and the airline stock is losing by 65.06%. Air Canada expects business to return to pre-COVID-19 levels by 2024, while Absolute is going full steam ahead.

Absolute Software's total revenue in the fiscal year 2020 (ending June 30, 2020) is \$104.7 million, a 6% increase over the fiscal year 2019. Management expects between 7% and 13% annual revenue growth (\$112 and \$118 million in fiscal 2021). For would-be investors, this tech stock also pays a dividend of 2.09%.

## Champion in the new era

The structural changes happening due to remote work, and distance learning opens new market opportunities. There are no boundaries for the number of enterprises and education organizations that would veer away from the traditional network-based security products. Invest in Absolute Software now, the likely champion in the new era in endpoint security.

### CATEGORY

1. Dividend Stocks
2. Investing
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