



3 TSX Tech Stocks to Buy This Month

Description

Tech stocks are on fire. For all of 2020, they led the market higher and higher. Many of the most popular tech stocks doubled or even tripled in value.

It's not too late to join the party, but you must be careful. After a dizzying rise, there aren't many bargains left. You need to [choose carefully](#).

Fortunately, there are three TSX tech stocks that still represent incredible values. Some have low valuation multiples. Others look expensive at first glance, but once you understand the long-term story, the value becomes clear.

Now is the time to dive in.

Your last chance

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is a forgotten tech stock. The vast majority of investors think of the company as a defunct smartphone manufacturer. That was true, but not anymore. Right now, BlackBerry is completely focused on a new opportunity: cybersecurity software.

Our world is growing more connected every day. Millions of new devices are constantly added to the internet. That's providing new use cases but also creating additional vulnerabilities. You're already familiar with computers getting hacked, but the risk goes exponential with devices like health sensors, surveillance cameras, and self-driving cars.

Cybersecurity companies are already high-performing tech stocks. Most have risen heavily in recent years, with the industry trading between 10 and 20 times trailing sales. BlackBerry, however, is stuck at three times sales.

BlackBerry is just beginning its rise. More than 160 million cars worldwide have its QNX security system installed. Millions of more endpoints use its [Cylance software](#), which uses AI to stop attacks *before* they occur.

BlackBerry is a cheap tech stock, because the market is incorrectly classifying it. Once that changes, it should be off to the races.

The best tech stock ever

Constellation Software ([TSX:CSU](#)) is already a proven winner. Shares have risen *80 times* in value since 2006. The good days aren't close to over.

You may have never heard of Constellation. That's because it focuses on business customers, often serving niche use cases. Despite staying under the radar, the company has figured out how to build a cash flow machine.

Software is nearly free to deploy, so once customers are locked into a contract, cash flow potential is huge. By focusing on niche solutions, Constellation limits competition, meaning the lifetime value of each customer rises immensely. Some customers have been with the company for decades.

Constellation's best days of growth are over, but with a proven business model and savvy management team, it should be a market beater for years to come.

Ride this train

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is a pricey tech stock. It trades at 50 times sales. But if you understand its operating model, you know that this is still a bargain.

Shopify runs a platform model. It builds the basic e-commerce infrastructure, and the customers and third-party developers take care of the rest. It's similar to what **Microsoft** did with Windows.

Platform businesses are typically winner-takes-all opportunities. Shopify's market cap is already at \$140 billion, but its total addressable market is well into the trillions.

Sometimes, expensive tech stocks are the most lucrative.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BB (BlackBerry)

4. TSX:CSU (Constellation Software Inc.)
5. TSX:SHOP (Shopify Inc.)

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