



2 Undervalued Tech Stocks for Growth Investors to Buy Today

Description

Tech stocks aren't known for being cheap. However, two names really stand out at the moment for their mix of value and growth prospects. These names are probably not on a lot of investors' radars, however. From an asset management style of investing to niche tech solutions, these two names cover a variety of angles within this high-performance asset band. Let's explore these two stocks and weigh the options.

A pair of ground-level opportunities

Quarterhill ([TSX:QTRH](#)) is an intriguing pick for value-focused investors and growth strategists alike. Its focus on acquisition and management may appeal to **Brookfield** shareholders. It's a tried and tested route to low-cost growth that packs cost-cutting synergies while expanding end-user benefits. Quarterhill's tech portfolio now commands a global network of products and services, adding both geographical and industrial diversification.

Photon Control (TSX:PHO) is a particularly attractive stock. From its uniquely appetizing ticker to its sober market fundamentals, Photon Control is an enticing pick. One key benefit of this name is its operational strategy of industrial penetration. By drilling down into niche markets, from optical sensors to temperature and position diagnostics, Photon Control has carved a defensive economic moat for itself.

Quarterhill is a very interesting stock for a number of reasons. First of all, it's a core value pick for investors looking at [upcoming growth stocks](#). Trading at book value, Quarterhill also has a price-to-earnings ratio of just 12. Its earnings outlook could be better. However, with a 1.8% dividend yield, Quarterhill is one of those rare TSX tech stocks that suits a passive-income strategy.

Photon Control occupies more familiar territory when it comes to value. A P/B ratio of 2.7 suggests valuation could be a little better in terms of real-world assets. However, a P/E of 13 puts this stock about even with Quarterhill. This makes either name a potentially satisfying stock to buy for long-term investing. Photon Control saw big earnings growth in the past year, though, which puts it ahead of

Quarterhill in that regard.

Mixing and matching tech stocks

Photon Control's wide-moat chops also make it another deceptively defensive pick to buy and hold alongside Quarterhill. Five-year returns are estimated to be in the 130% range for Photon Control, making it moderately high growth. Quarterhill itself could see total returns top 108% by the middle of the decade. Investors should watch this space but be prepared to buy in if the share price accumulates appreciably.

Both stocks also have reassuringly healthy balance sheets, further adding to a long-term buy-and-hold thesis. Investing in semiconductors has [driven steep momentum](#) in recent years. Photon Control is an adjacent play in this space, but with added value. By pairing it with a diversified, growth-by-acquisition play such as Quarterhill, investors can avoid overexposure.

In summary, these two stocks could represent ground-level names to keep an eye on. Their market ratios suggest attractive valuation, while their industrial prospects are intriguing. If the growth trend in hot tech stocks continues into 2021, Quarterhill and Photon Control could be breakout names.

CATEGORY

1. Investing
2. Stocks for Beginners
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TICKERS GLOBAL

1. TSX:BN (Brookfield)
2. TSX:QTRH (Quarterhill Inc.)

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