



1 Tech Stock Perfect for Absolute Wealth Growth

Description

Despite the resurgence of COVID-19 cases, the Canadian stock market has held relatively firm. The Canadian tech sector saw substantial growth throughout 2020 as the global landscape shifted to digital solutions for everything from shopping to work.

The need for tech-based solutions saw tech stocks go through the roof. However, the high-growth assets in the industry went through a significant sell-off period in recent weeks. Expensive valuations and expected normalization in growth rates led to some of the top players in the industry losing gains.

Many investors might see the sell-off as a sign to step away from tech stocks. However, tech stocks present a lot of growth potential in the future. It could be an excellent time to pick up shares of [high-quality companies at a reasonable price](#). I will discuss one such stock that should be on your radar today.

Absolute Software

Vancouver-based **Absolute Software** (TSX:ABT)([NASDAQ:ABST](#)) is my absolute top pick in the tech sector right now. The \$831.78 million market capitalization company creates cybersecurity solutions. Absolute Software had relatively humbler beginnings in 1993 as “LoJack for Laptops.”

The founders of the company wanted to create a product that would allow individuals and businesses to track, manage, and secure their computers regardless of the physical location of the devices. The company became public in 2000, and it started developing partnerships with several major original equipment manufacturers.

2005 saw the company’s Persistence technology become embedded into a computer’s firmware for the first time. Since then, the company has become an integral part of the computing world to this day.

The growing cybersecurity need

Absolute Software is considered the best when it comes to protection for data, devices, and security protocols through embedding firmware. The company has grown substantially over the years. It caters to the needs of private entities in industries like the financial sector, education, healthcare, governments, and public organizations.

Cybersecurity is becoming more critical in an increasingly digital world. It means that Absolute Software is well-positioned to capitalize on the growing digitization trend by offering its cybersecurity solutions. The third quarter for fiscal 2021 for Absolute Software recently ended; the company reported 18% revenue growth from the same period last year.

While the company's overall income declined by 1% from the same period last year, its CEO Christy Wyatt believes that the company posted strong quarterly results. Wyatt also believes that the results show strong demand for the company's services across all industries.

Foolish takeaway

Absolute Software is a tech stock that could be more attractive to investors than many others because it offers something many others in the industry don't: dividend payouts.

The company has been focusing on strengthening its competitive position in the market by making acquisitions to bolster its revenues. Absolute Software is already in a market-leading position, and it might cement itself in the first position as the cybersecurity sector grows.

As a tech stock that offers wealth growth through capital gains and dividend payouts, Absolute could be [an ideal stock pick](#) to consider right now.

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1. Dividend Stocks
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