Skip Shopify (TSX:SHOP): These 2 Tech Stocks Pay Dividends

Description

Mature companies with stable earnings are generous to share a portion of their profits to shareholders. Besides fostering goodwill, the practice shows the investing public financial strength. However, some big names, particularly in the technology space, choose not to pay dividends.

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TSX's tech superstar **Shopify** achieved a historic milestone during the COVID year. On May 6, 2020, the online merchant platform dislodged the **Royal Bank of Canada** as the most valuable Canadian company. Many thought the tech firm would enjoy the moment briefly and eventually relinquish the top spot to the 157-year-old bank.

As of July 13, 2021, Shopify still holds the position with its $236.31 billion market cap compared to RBC's $182.38 billion. The e-commerce platform rewarded investors with massive gains since going public in May 2015. If you bought $5,000 worth of the stock then and still hold them, your money would be $558,782.35 today.

At $1,899.86 per share, it's a bit pricey for regular investors. However, don't despair and skip Shopify. Instead, invest in **Evertz Technologies** (TSX:ET) and **Absolute Software** (TSX:ABT)(NASDAQ:ABST) for income and capital growth. Both companies are dividend payers, which are rare in expanding tech firms.

End-to-end broadcast solutions

Evertz trades at only $14.51 per share and pays a juicy 4.87% dividend. Market analysts forecast a potential upside of 20.61% to $17.50. Besides the quarterly dividends, there could be a capital gain in the next 12 months. On the TSX, Shopify is up 32.18%, although Evertz isn't far behind with a +21.08 thus far 2021.

The $1.11 billion company from Burlington designs, manufactures, and markets video and audio infrastructure solutions. Evertz delivers complete end-to-end broadcast solutions. Their website states they cover all aspects of broadcast production, such as content creation, content distribution, and content delivery.

Fiscal 2021 (year ended April 30, 2021) wasn't good as revenue, and net earnings declined 21.46% and 39.34% versus fiscal 2020. Business should improve when global economies recover. On July 6, 2021, Evertz's DreamCatcher Training Center opened in Munich, Germany.

Dynamic time

Absolute Software is steady year-to-date with its 17.24% gain. At $17.61 per share, the $871.88 million company from Vancouver pays a modest 1.79% dividend. Shopify also trades on the **New York Stock Exchange**, while Absolute is cross-listed at **NASDAQ**.

In Q3 fiscal 2021 (quarter ended March 31, 2021), management reported an 18% increase in total revenue versus Q1 fiscal 2020. However, net income slid by 1% year-over-year. Christy Wyatt, Absolute Software's President and CEO, describes the quarterly results as solid.

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Wyatt said it was a direct reflection of the strong demand for Endpoint Resilience capabilities. Absolute is a leader in Endpoint Resilience solutions. Its CEO adds, "It is an exciting and dynamic time in this market space, and we are well-positioned to deliver the security, agility, and resiliency needed to properly scale remote and hybrid operating models for the long term."

In May 2021, Absolute acquired NetMotion Software, a leading provider of connectivity and security solutions. The company tweeted the purchase will strengthen its financial profile with scale and revenue diversity. It will also serve as the foundation of profitability as it continues to drive growth.

Income and capital growth

Investors in TSX's tech sector have cheaper alternatives for income and capital growth in two dividend payers. Scoop Evertz and Absolute now while the prices are below $20.

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