



3 Top TSX Tech Stocks to Buy in August 2021

Description

Investors seeking excellent returns have done extremely well with [tech stocks](#) of late. Indeed, the technology sector is one synonymous with innovation. Investors looking to buy into the companies of the future will look to this sector for growth. Indeed, this strategy has made investors very wealthy over the past decade.

Those who believe such a strategy will prevail in the decades to come may want to consider these three stocks. These are among the top tech stocks in Canada, and the world.

Let's dive in.

Top tech stock: Constellation Software

Constellation Software ([TSX:CSU](#)) is one of the best tech stocks on the TSX, hands down. This company has an unparalleled record of growth among all tech stocks.

Why?

Well, Constellation operates with a highly successful growth-by-acquisition business model. The conglomerate has acquired more than 500 businesses in a highly fragmented software market.

The potential for future growth remains strong. Indeed, Constellation has thousands of similar investment opportunities ready for investment today. Accordingly, investors seeking long-term returns can't go wrong with this long-term tech stock.

Top tech stock: Shopify

Perhaps the most well-known Canadian tech stock, for obvious reasons, is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Indeed, Shopify's e-commerce presence is unlike anything else on the TSX right now. The company's

platform allowing SMBs to set up online shops has become essential during the pandemic. As we come out of this pandemic, the question remains as to whether consumers' buying behaviour will be changed, if at all.

I'm banking on continued growth for Shopify. The company's positioning remains stellar, allowing for incredible growth and impressive returns for investors thus far. Additionally, Shopify's [valuation](#) no longer looks as stretched as it once was.

Accordingly, I view Shopify as the biggest, and possibly *the* best, tech stock on the TSX today.

Top tech stock: Open Text

Similar to Constellation Software, **Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)) follows a growth-by-acquisition strategy. Open Text stock registered an all-time high after a massive retracement last year. That said, this tech stock has always provided investors with a stunning return over the years.

The robust business model of Open Text, along with its wide range of software products and services, will help the company to secure impressive growth. Moreover, the company comes with highly attractive SaaS (software as a service) revenue. These cash flows are priced among tech stock investors.

Although the company's valuation multiple is relatively high, factoring in growth estimates, Open Text looks fairly valued. I think this is a company that deserves consideration as a top portfolio holding for any investor.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:OTEX (Open Text Corporation)
5. TSX:SHOP (Shopify Inc.)

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