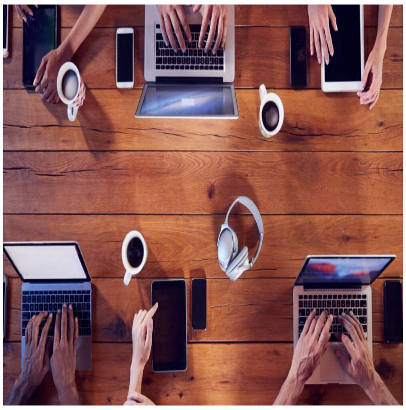

3 Cheap Tech Stocks to Buy Today

Description

The **S&P/TSX Composite Index** rose 181 points on October 13. The Information Technology sector was the top performer on the day. Fortunately, there are still some enticing discounts in this space. Today, I want to look at three undervalued tech stocks that are worth buying right now.

Here's why I'm snatching up this undervalued tech stock

Enghouse Systems (TSX:ENGH) is a Markham-based company that develops enterprise software solutions for a global client base. Shares of this tech stock have dropped 10% in 2021 as of close on October 13. The stock is down 26% from the prior year. I'd suggested that investors should scoop up Enghouse back in August.

The company released its third-quarter 2021 results on September 9. Revenue was reported at $117 million in the second quarter — down from $131 million in the prior year. Meanwhile, net income fell to $21.2 million compared to $26.0 million in Q2 2020. This dip was largely due to the spike in revenue from its Vidyo business. Its earnings have returned to stable pre-pandemic levels.

Shares of this tech stock last had a price-to-earnings (P/E) ratio of 33, putting Enghouse in solid value territory in comparison to its industry peers. The stock possesses an RSI of 38, just outside technically oversold levels.

This monster stock still has legs in the 2020s

Open Text (TSX:OTEX)(NASDAQ:OTEX) is a Waterloo-based company that is engaged in the design, development, marketing, and selling of information software and solutions. It delivered impressive growth in the 2010s on the back of a very aggressive acquisition strategy. Shares of this tech stock have climbed 6% in 2021. However, the stock is down 7.9% month over month. Now looks like a good time to snatch up Open Text on the dip.

In the fourth quarter of fiscal 2021, Open Text delivered annual total revenue growth of 21.6%.

Meanwhile, GAAP-based diluted earnings per share soared 560% to $0.66. For the full year, adjusted EBITDA increased 14.5% year over year to $1.31 billion. Meanwhile, GAAP-based diluted EPS rose 32.6% to $1.14.

This tech stock possesses a P/E ratio of 43, which is very solid up against its competitors. Meanwhile, it last had an RSI of 34. That puts Open Text just outside technically oversold territory. It offers a quarterly dividend of $0.221 per share, representing a modest 1.8% yield.

One more cheap tech stock to buy today

Real Matters (TSX:REAL) is based in Ontario and provides technology and network management solutions to mortgage lending and insurance industries in North America. I'd suggested that investors should snatch up this tech stock on the dip in late August. Shares of Real Matters have plunged 46% in the year-to-date period. The stock is down 10% month over month.

The company delivered consolidated revenue growth of 9.6% to $129 million in the third quarter of 2021. Meanwhile, adjusted net income has dropped marginally to $33.1 million. Shares of this tech stock possess a favourable P/E ratio of 19. It has spent most of its time in oversold territory since late July. This is a tech stock worth snatching up right now.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:ENGH (Enghouse Systems Ltd.)
3. TSX:OTEX (Open Text Corporation)
4. TSX:REAL (Real Matters Inc.)

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