



2 Tech Stocks to Buy for Under -\$100/Share

Description

The **TSX** zoomed to a fresh record-high on November 5, 2021, advancing by the triple digits (113.72 points) to close at 21,455.80 at writing. Energy stocks led [advancers](#) to push the sector's year-to-date gain to 83.9%.

Last year's top performer, technology, is in fourth place (+24.88%) and doing slightly better than the broader market (+23.07%). Despite the role reversal with the energy sector in 2021, quite a number of [tech companies](#) are thriving. Growth investors, especially, have quality choices that could deliver considerable gains in a year or two.

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) and **Enghouse Systems** ([TSX:ENGH](#)) are rare gems. In addition to their long growth runways, both stocks are dividend payers. You won't spend more than \$100 per share combined if you initiate positions this month.

Based on analysts' forecasts, the return potential in the next 12 months is at least 28%. The overall return to prospective investors would be higher if you were to include the [dividends](#).

Vital role in the “work from anywhere” era

Absolute Software, a TSX30 winner in 2021 (rank 24), should be on your buy list. The tech stock's total return in 3 years is 96.89% (25.23% compound annual growth rate) and should deliver more in the coming years. The \$711.5 million company provides a cloud-based endpoint visibility and control platform in the IT universe.

Endpoint security isn't a trend but a serious concern for governments and industries such as financial services, healthcare, and K-12/Higher education, among others. Based on Absolute's 2021 Endpoint Risk Report, 73% of enterprise devices have sensitive data in them. Also, 23% of these devices reported unhealthy encryption controls.

The competitive advantage of Absolute is its defense platform, the industry's only undeletable platform. It's embedded in more than half a billion devices globally. Management knows that Absolute has a vital

role to play in the “work from anywhere” era. The company continues to develop and deliver critical, innovative solutions for governments and enterprises’ IT and security teams.

Well-positioned for the new normal

Like Absolute Software, Enghouse Systems is well-positioned to grow in the new normal, remote work. The \$2.96 billion company from Markham develops and sells enterprise-oriented applications software globally. Apart from remote work, Enghouse focuses on visual computing and communications for next-generation software-defined networks.

Management is clear on its mission, vision, and two-pronged growth strategy. Enghouse’s primary objectives are internal growth and the pursuit of growth opportunities. The company funds the strategic acquisitions mostly from operating cash flows.

Enghouse reported 7.5% and 9.5% decreases in revenue and net income in the first three quarters of fiscal 2021 (nine months ended July 31, 2021) versus the same period in fiscal 2020. Management said the results were exceptional, notwithstanding the COVID-19 related demand.

Two of its business segments, Interactive Management Group and Asset Management Group are the principal growth drivers. The former specializes in software and services for use by work-from-home agents and the transformation of contact centres globally. Various industries, including defense organizations, embrace the latter’s networks for their digital transformations. Software solutions for Transportation and Public Safety are also available.

Emerging superstars

TSX’s technology team has a deep bench with emerging superstars. As of November 5, 2021, the share price of Absolute Software is \$14.37, while the dividend yield is 2.3%. Enghouse Systems trades at \$53.25 per share and offers a 1.22% dividend. Both are ripe for the taking this November.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

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2. TSX:ABST (Absolute Software)
3. TSX:ENGH (Enghouse Systems Ltd.)

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