



3 Undervalued Tech Stocks to Buy Before May

Description

The **S&P/TSX Capped Information Technology Index** delivered 2.7% growth on April 19. Canada has a very small technology sector compared to its rival indices in the United States. Historically, that has limited the growth potential of the TSX. The script has been flipped in 2022 due to the success of the energy sector in the year-to-date period. Today, I want to look at [three tech stocks](#) that look discounted in the final days of April. Let's jump in.

Here's why I'm snatching up this tech stock on the dip in the spring

CGI Group ([TSX:GIB.A](#))([NYSE:GIB](#)) is a Montreal-based company that provides information technology and business process services in Canada and around the world. Shares of this tech stock had dropped 8.5% in 2022 as of close on April 19. That pushed the stock into negative territory in the year-over-year period.

Investors can expect to see this company's second-quarter 2022 results later this spring. It unveiled its first-quarter 2021 earnings on February 2. Total revenues increased 2.2% from the previous year to \$3.09 billion. Meanwhile, adjusted EBIT jumped 5.2% year over year to \$521 million. Its backlog rose to \$23.5 billion compared to \$22.7 billion at the end of Q1 2021.

This tech stock possessed a price-to-earnings (P/E) ratio of 18 at the time of this writing. That puts CGI Group in favourable value territory.

Don't sleep on the cybersecurity sector in 2022

Back in the spring of 2021, I'd discussed whether investors should prepare for a ["cyber pandemic."](#) The migration of millions of workers to a primarily digital space spurred fears that cyber criminals would look to take further advantage. Indeed, we have continued to see an uptick in major cyber crime to start this decade. Investors should be eager to get in on this space, as public and private entities look

to make big investments in cybersecurity.

Absolute Software ([TSX:ABST](#))([NASDAQ:ABST](#)) is a Vancouver-based company that develops, markets, and provides cloud-based endpoint visibility and control platform for the management and security for public and private entities. Shares of this tech stock have declined 10% in the year-to-date period. The stock has plunged 41% from the same period in 2021.

Investors can expect to see its third-quarter fiscal 2022 earnings on May 10. In Q2 FY2022, the company delivered revenue growth of 64% to \$49.0 million. This tech stock is trading in attractive value territory compared to its industry peers.

One more tech stock to focus on in the retail space

Aritzia ([TSX:ATZ](#)) is the third tech stock I'd look to target as we look ahead to the month of May. This Vancouver-based company designs and sells apparel and accessories for women in North America. The clothing retailer has [thrived](#) on the back of its impressive e-commerce expansion.

Shares of this tech stock have dropped 10% in 2022 as of close on April 19. It has retreated from the all-time highs it hit in January. Investors should be eager to buy the dip. Aritzia has consistently posted strong revenue and earnings growth. Moreover, it looks poised to continue this trend, as its retail business recovers from the worst of the COVID-19 pandemic.

CATEGORY

1. Investing
2. Tech Stocks

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2. NYSE:GIB (CGI Group Inc.)
3. TSX:ABST (Absolute Software)
4. TSX:ATZ (Aritzia Inc.)
5. TSX:GIB.A (CGI)

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