



3 Discounted TSX Tech Stocks to Buy Now

Description

The tech sector's decline has slowed down in the last few weeks. The sector has even started seeing actual recovery without the top name leading the charge (**Shopify**). And if a tech sector recovery is imminent, it might be the last chance to buy some amazing tech companies at discounted prices before they experience a long-term bullish phase.

Several tech stocks are still heavily discounted, and three of them should be on your watchlist.

An information management software company

Open Text ([TSX:OTEX](#))([NASDAQ:OTEX](#)) is one of the few dividend payers and even fewer Dividend Aristocrats in the tech sector. However, the dividends usually take a secondary position behind what the stock's true forte — it's capital-appreciation potential. It's a slow but tried-and-tested grower that has returned roughly 300% in the last 10 years and is currently available at a discount.

Even though the 27% discount from the 2021 peak might not seem like a great bargain, it *is* if you consider the stock's history. Plus, it's being complemented by the almost undervalued state of the stock right now, with a price-to-earnings ratio of just 22.5. Thanks to the decline, the stock also offers a 2.2% yield, which is quite high considering the specific number.

An IT environment solutions company

Toronto-based **Softchoice** ([TSX:SFTC](#)) has been around since 1989, but it was listed on the TSX quite recently in May 2021. And since the last two years have been quite chaotic for the tech sector in Canada, the company has been caught in the sector's dynamics as well. The stock rose 89% within the first three months of listing.

Soon after reaching the peak, the stock started to fall, and so far, it has dropped roughly 45%. This is quite stable for new stock and offers a relatively promising picture of the recovery potential. Another reason to consider this company would be its strong yearly revenues, which are relatively close to the

total market capitalization of the company than what's normal for tech companies.

A payment solutions company

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is a promising company in the payments technology space. It already has an impressive global clientele and numerous successful solution deployments in its track record.

More importantly, it's equipped to implement crypto-based payment solutions, which gives it an edge in its space, especially considering how it can leverage its position in the market to become a crypto payment solutions leader when it becomes mainstream.

It's also the most discounted stock out of the three. It's currently trading at an almost 62% discount from its former peak, so it can double your money *without* reaching its former peak. However, Nuvei might be a better long-term investment/holding than simply a tech play for short-term recovery once the sector shifts course.

Foolish takeaway

There are plenty of other discount [tech stocks](#) that you can buy right now, but splitting your capital into several small streams might not be a smart thing to do. You should first determine your rationale behind buying the currently discounted tech stocks; is it short-term recovery-fueled growth or long-term capital appreciation? That will help you streamline your picks.

CATEGORY

1. Investing
2. Tech Stocks

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2. NASDAQ:OTEX (Open Text Corporation)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:OTEX (Open Text Corporation)

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