



## 3 Top Tech Stocks That Could Help Make You Rich by Retirement

### Description

Canadian investors following a [long-term approach](#) to building wealth as part of [retirement plans](#) are spoilt for choice as traditional growth stocks trade cheaper in 2022. The best days in the market usually come shortly after the worst days. Here are three tech stocks that could help you retire rich some 10 or more years from now.

### InterDigital stock received an Apple boost

A value investor's dream, **InterDigital** ([NASDAQ:IDCC](#)) is an undervalued tech stock that has built a treasure trove of software patents. Global tech giants, including **Apple**, are paying hundreds of millions of dollars to access InterDigital's patents.

The company is a mobile and video technology research and development house that leads the design of wireless and video technologies and standards, including 2G, 3G, 4G, and [5G](#) network technologies.

In a recently renewed contract that commenced on October 1, 2022, iPhone maker Apple agreed to pay US\$134 million each year for seven solid years to use InterDigital's patents. Shares rallied following the news release this month.

InterDigital is enjoying a good year. In October, management increased its revenue guidance for the third quarter of 2022 by nearly 16% from US\$96-100 million to US\$112-115 million. Strong recurring revenues, continued success in the core smartphone licensing program, and new contracts in the consumer electronics, automotive, and internet-of-things (IoT) categories have boosted sales performance in 2022.

IDCC stock is down 35% year-to-date and looks undervalued right now. It has a forward price-to-earnings (P/E) multiple of 13.9. Wall Street analysts project earnings to grow at 25% per annum for the next five years. The price-earnings-to-growth (PEG) multiple of 0.8. implies that shares are undervalued relative to the company's earnings growth potential. IDCC is also a [dividend stock](#), and its dividend currently yields 3% annually.

InterDigital stock is an attractive long-term investment that could help investors enjoy a rich retirement given its reliable cash flow, low valuation, and a sustained revenue and earnings growth outlook.

## MDA Ltd.

Canadian investors who wish to gain exposure to an exploding space economy should look no further than beaten-down industry leader **MDA Ltd.** ([TSX:MDA](#)). The space technology developer is a key satellite communications project partner that is enjoying unprecedented revenue growth rates. This is the result of billions of dollars that are pouring into the growing industry to finance a vicious space race that billionaire Elon Musk's SpaceX hopes to win.

MDA has seen its order backlog grow 137% year-over-year to more than \$1.5 billion by June of this year. As satellite launch costs continue to recede, and mobile phone manufacturers like Apple throw hundreds of millions into satellite communications functionality in mass-market gadgets, MDA should enjoy sustained growth in antennae and geo-intelligence contracts.

MDA stock trades 27% lower year-to-date. Investors who buy shares at the current dip could participate in protracted price recovery. Wall Street analysts forecast MDA's sales to grow by nearly 40% in 2023.

## Advanced Micro-Devices (AMD)

**Advanced Micro Devices** ([NASDAQ:AMD](#)) is a diversified semiconductor market challenger that's been gaining market share from industry leader **Intel** and eating into graphics processing behemoth **Nvidia**'s strongholds.

AMD's revenue continues to grow in a weak market environment. Although the company's recently released preliminary earnings results for the third quarter missed management's earlier guidance of US\$6.7 billion by US\$1.1 billion, third-quarter revenue should still show a 29% year-over-year growth.

In other words, although the PC market has cooled off in 2022, AMD is still enjoying positive revenue growth rates. In the face of a potential global recession, Wall Street analysts estimate AMD's sales to still grow by 8% in 2023, and the company could grow its earnings at a rate of 25.5% per year for the next five years.

AMD stock is down 62% year-to-date as investors flee the tech sector. However, the company is a compelling contrarian investment right now, especially if it were to achieve its 20% per annum revenue growth target over the next four years.

Investors looking for undervalued tech stocks that could help them enjoy a richer retirement can snatch up AMD stock now before its rebounds. Shares are selling cheap at a P/E multiple of 14.7.

Furthermore, AMD stock's forward PEG ratio of 0.7 implies that shares are significantly undervalued relative to the company's future earnings growth potential.

## CATEGORY

1. Investing
2. Tech Stocks

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1. NASDAQ:AAPL (Apple Inc.)
2. NASDAQ:AMD (Advanced Micro Devices)
3. NASDAQ:IDCC (InterDigital, Inc.)
4. TSX:MDA (MDA Ltd.)

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