


[Previous Page](#)

## Dream Stocks for Tech Investors

<http://www.fool.com/investing/high-growth/2010/05/11/dream-stocks-for-tech-investors.aspx>

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Investors are always hunting for the next big stock -- the dream stock whose price increases several times over when the market finally discovers it. It's easy to look back and discover the [10 best stocks of the past decade](#). But I'm more interested in the tools that can help me evaluate tomorrow's greatest companies.

[Motley Fool CAPS](#) offers a variety of resources to aid Fools in finding tomorrow's leaders. Our 160,000-member community is full of investors helping each other beat the market.

We'll enlist CAPS to screen for technology companies, then get the story behind some of its more highly rated stocks. CAPS' nifty [screener](#) will help us find stocks with:

- A market cap of at least \$100 million
- A three year revenue growth rate of at least 20%
- A price-to-earnings ratio of less than 25

Then we'll tap the collective intelligence of our CAPS members to see whether these companies present real opportunities -- or whether the numbers fail to tell the true story.

### Opinions with the numbers

Below is a sample of stocks our screen returned.

Company	Revenue Growth Rate, Past 3 Years	CAPS Rating (out of 5)
<b>Ebix</b> (Nasdaq: <a href="#">EBIX</a> )	51.8%	*****
<b>TeleCommunication Systems</b> (Nasdaq: <a href="#">TSYS</a> )	32.9%	****
<b>Apple</b> (Nasdaq: <a href="#">AAPL</a> )	22.3%	***

Data and star rankings from CAPS as of May 7.

### Ebix

Ebix's recurring revenue business model and high customer retention rate has kept the stock high on many investors' lists looking for [a great growth opportunity](#). The company believes it has a strong lead over any competitors looking to match its offerings in the insurance software services industry, with its track record of growth so far confirming this. It [blew away market expectations](#) in the fourth quarter and had another strong showing in the first, when it posted record quarterly revenue and signed multiple key contracts.

It has strong relationships with its largest customers like **MetLife** (NYSE: [MET](#)), which itself help set a bullish tone for the insurance sector by recently exceeding earnings expectations. In CAPS, an

impressive 98% of the 972 members rating Ebix believe it will beat the broader market.

### **TeleCommunication Systems**

With help from four acquisitions that the company made last year, TeleCommunication Systems was able to recently generate another quarter of significant revenue growth. In addition to providing technologies like texting and GPS to all the major wireless carriers in its commercial segment -- where it expects substantial growth from wireless subscriber application revenues -- the company believes it is well-positioned for growth in its government segment also.

Many CAPS members like the [high-growth potential](#) in wireless telecom these days, and it helps that its largest commercial customer is **Verizon** (NYSE: [VZ](#)), which still holds the lead in wireless subscribers with about a 31% market share. Comparing bulls and bears in CAPS, 94% of the 259 members rating TeleCommunication Systems are bullish today.

### **Apple**

Thanks to a big run in Apple shares recently, **Microsoft** (Nasdaq: [MSFT](#)) isn't the clear, [big dog in technology](#) these days. The run has also left shares of Apply a little too pricey for a few CAPS members, but many others still like the long-term outlook for the enigmatic company.

While Microsoft's recent quarterly results contained a lot of deferred revenues -- and weren't enough to impress Wall Street -- Apple blew past analyst expectations, capitalizing on the strong momentum of its products. iPhone sales have exceeded expectations as the device captured more global market share, apparently at the expense of **Research In Motion's** (Nasdaq: [RIMM](#)) Blackberry, which saw its share of the global market dip by 1.5%. And with over 1 million iPads now sold and potential for strong app support, investors like the [potential that the tablet market holds](#) as well.

In CAPS, about 92% of the 23,681 members rating Apple expect it to outperform the S&P.

### **Let 160,000 members be the jury**

The collective wisdom of a huge pool of investors can help give context to a page of numbers from a stock screen. But individual investors are still the best judges of what to do with their own money. Fools should always perform their own [due diligence](#).

Happily, it's easy to chime in with your own opinion. If you agree that these companies present dream opportunities -- or see more of a nightmare instead -- simply scroll down and add your thoughts in the comments box below.

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[Previous Page](#)