



3 Cybersecurity Stocks That Could Take Off in 2018

Description

A series of data breaches in 2016 and 2017 for both private and government entities has ratcheted up spending in cybersecurity. The **Equifax Inc.** breach has had enormous implications for the now 145 million who had their data compromised and for the agency, which will be forced to undergo a significant internal transformation. A recent report from American research and advisory firm **Gartner Inc.** revealed some of its forecasts for the industry heading into the 2020s.

Gartner projected that global spending on cybersecurity will reach \$86.4 billion in 2017, which represents a 7% increase from 2016. That spending is estimated to grow to \$93 billion in 2018 and likely into the triple digits by 2020.

As the demand for this industry balloons in a changing world, let's take a look at three stocks that can give investors a foothold in this growing market.

BlackBerry Ltd. ([TSX:BB](#))(NASDAQ:BBRY) provides mobile cybersecurity for government agencies around the world as well as consulting. The company offers to develop risk-reduction strategies as well as implantation of IT security standards and defence against future attacks.

In July, BlackBerry announced that it had won the right to sell its secure messaging tools to the U.S. federal government, which included an endorsement from the National Security Agency. The technology was obtained from the 2014 acquisition of Secusmart.

BlackBerry stock has surged 56.5% in 2017 as of close on October 13. In its second-quarter results released on September 28, the company posted software and services revenue of \$196 million, which was a record. The former hardware giant is a great bet moving forward, as it continues its aggressive foray into software.

Absolute Software (TSX:ABT) is a Vancouver-based company that specializes in endpoint security as well as data risk-management solutions. The stock has surged 27.4% in 2017 and 25% year over year. The company even delivers an attractive dividend of \$0.08 per share, representing a 3.9% dividend yield.

The company released its fiscal fourth-quarter results on August 17. It saw revenue increase 5% from Q4 2016 to \$23.2 million. Commercial recurring revenue also grew 8% year over year to \$21.9 million. CEO Geoff Haydon was happy with progress made in several areas, including mobile endpoint security and the acquisition of “prominent new customers.” The company increased its forecast in 2018 due to a strengthening pipeline.

Avigilon Corp. (TSX:AVO) is a Vancouver-based designer and manufacturer of surveillance software and equipment. The stock has climbed 46.4% in 2017 and 124% year over year. Since its initial public offering on November 8, 2011, Avigilon has increased 315%.

The company released its second-quarter results on August 9. It posted revenue that climbed to \$99.4 million compared to \$85.7 million in Q2 2016 — a 16% increase. Gross profit jumped to \$51.1 million in comparison to \$43 million the previous year. Avigilon also achieved record cash flow from operations of \$20.2 million compared to \$12 million in the second quarter of 2016.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:ABST (Absolute Software)
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