



Tuck This Tech Stock Away in Your RRSP Today for Explosive Growth Tomorrow

Description

The RRSP is a good place to put stocks that we have a positive [long-term](#) view on, so they can grow and accumulate in a tax-free environment.

Assuming you have roughly 30 years before you begin your withdrawals, this leaves your portfolio of stocks and bonds with ample time to grow and accumulate wealth for you in a tax-free environment.

An added benefit is that you get a tax refund from an [RRSP](#) contribution, which gives you even more money to save for your retirement.

While **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is not a dividend stock, and it is not for the faint of heart, it is nonetheless a stock that has the potential to provide RRSP investors with explosive tax-free capital gains.

Cybersecurity, or the protection of internet-connected systems, will explode in the next few years, as more and more machines are connected and as the Internet of Things industry hits its growth projections of more than doubling by 2021 (relative to 2017 levels).

BlackBerry sees this and is on top of it.

With its \$1.4 billion acquisition of Cylance, a next-generation cybersecurity provider, BlackBerry is positioning itself for this growth. In a deal that is attractive both financially and strategically, BlackBerry has officially elevated its game with this transformational acquisition.

Here are the reasons why I think that BlackBerry stock has explosive upside.

First, the company has financial strength, with more than \$500 million in cash.

Second, BlackBerry's acquisition of Cylance is expected to be accretive to adjusted EPS within one year.

Third, BlackBerry has increased its presence in cybersecurity since new CEO John Chen took over,

and its latest acquisition solidifies this move away from the handset and phone businesses.

Fourth, the company's recurring revenue is increasing as a percentage of total revenue and now accounts for 81% of revenue, with management expecting this number to increase to over 90% within a year.

Taking all this into consideration, and the fact that the company has big upside to its earnings estimates, I am left to conclude that this stock has big upside.

The stock will be volatile, and the company faces much uncertainty, but the huge upside to revenue and earnings make it a solid place to put a small percentage of an RRSP portfolio.

Final thoughts

Whether your investments of choice will include BlackBerry stock or not, the point is that using your RRSP for stocks that have explosive upside is a move that will accentuate your gains significantly due to the tax-free status.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

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Author

karenjennifer

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