



## 3 Reasons to Buy a Canadian Tech Legend

### Description

Investors in **BlackBerry Inc.** ([TSX:BB](#))([NYSE:BB](#)) have been punished for years now. After its initial rise to fame during the 2000s, the cellphone maker's fortunes have done nothing but collapse for several years. Nevertheless, there are many reasons why this Canadian technology legend might just be a great long-term buy for patient investors.

### Its security business is and always has been top notch

Although BlackBerry was once known for its phones, the company has always been a leader when it comes to security. In the past, the company was the go-to name for secure communication. While its phones have fallen out of favour, its focus on security has continued to grow stronger over time.

The company has turned its focus firmly toward the cybersecurity end. Acquisitions such as that of California-based Cylance, a private artificial intelligence, and cybersecurity firm, are setting up the company to participate strongly in the space. As the Internet of Things (IoT) continues to grow, BlackBerry will be there to participate.

### It is on the cutting edge of driverless car tech

Driverless cars have been in the news for years now. While there hasn't yet been much mainstream progress on that front, companies like BlackBerry are investing billions into research and development.

Just outside of Ottawa in the suburb of Kanata, BlackBerry has started with its own \$300 million set aside for research into autonomous vehicles. The government has also kicked in \$40 million to help the company develop driverless tech. The company says its QNX system is already in tens of millions of cars with that number set to grow.

### It's cheap, and its finances are improving

BlackBerry is a very cheap tech company, especially considering its solid balance sheet. The company currently has a net cash position (more cash than debt) and is trading at a price to book value of 1.9 at

writing. Of course, a lot of that book value consists of goodwill, but the strength of its balance sheet is undeniable.

The company just reported [full-year 2019](#) GAAP software and services growth of 13% year-over-year. As revenue from software and services is expected to be BlackBerry's bread and butter in the coming decades, this growth is very encouraging. The company also reported positive free cash flow of \$86 million, reinforcing the cash generation power of the company.

## The bottom line

I want to believe that BlackBerry, a home-grown Canadian success story, can stage a comeback. Its renewed focus on software and cybersecurity does seem to indicate that such a turnaround is possible. But it's easy to see why many investors have lost faith in the company.

It has languished for years, with the share price barely moving. For a stock without a dividend, this can be very frustrating and can test the patience of even the most steadfast BlackBerry bulls.

Patient investors will likely [be rewarded](#) if the changes take hold, as seems to be the case. It has the balance sheet to stay in the race and a strategy aimed for the future. This company has been frustrating for many to hold, but in the coming decades, this might be seen as a golden opportunity.

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2. Tech Stocks

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