



5 Billion Reasons to Invest in BlackBerry (TSX:BB)

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is nowhere near the company it was a decade ago when its cellphones were very popular among consumers. However, it was in a business that was making the company profitable with losses of \$6 billion in 2014 alone. And with tech giants like Google and **Apple** providing fierce competition, things weren't going to get any easier for the company. The move away from those markets has made the business more stable today and has gotten it into perhaps a more important sector: cybersecurity.

While it might seem like a more boring business, the reality is that it's becoming more and more important. Data and privacy issues have been a big problem over the years with companies suffering data breaches, and even big banks have [failed](#) to adequately protect customer information. Social media giant **Facebook** (NASDAQ:FB) might be the worst offender and is now facing a \$5 billion fine from the SEC related to the scandal involving [Cambridge Analytica](#), which some are saying is not enough. However, this will set the bar for others that neglect to safeguard user data, and we could see that number grow in the years to come.

Cybersecurity is a necessity for businesses

For a consumer, cybersecurity might not matter, but for a company potentially facing a fine in the billions, there's a significant incentive in having the proper safeguards in place to protect sensitive information. While Facebook's scandals have stemmed from neglect and not from hacking, it's an example of how costly it can be to mismanage data. **Equifax**, which had its data breached a few years ago, has also had to face fines and costs related to the scandal of more than \$1 billion.

That's where companies have a financial incentive to partner with a company like BlackBerry that can help put systems in place to protect data. There's growing mistrust among big tech companies like Facebook and Google, and there's even a movement in the U.S. to try and break them up in an effort to prevent them from being too big. For them, the stakes are even higher.

One company that is synonymous with trust is BlackBerry, and it can help companies alleviate

concerns around protecting data.

Why BlackBerry provides great value to investors today

BlackBerry is not an easy stock for investors to rally behind today, because its results thus far have been a bit underwhelming. Sales are progressing but likely not at the pace that analysts have been hoping for. However, over the long term, the stock could become a phenomenal buy, as it grows its brand while also benefitting from a much more stable business model that's able to help the company generate profits and free cash flow as well.

Utilities are seen as necessities in the day-to-day lives of consumers, and the same should be said of cybersecurity in the business world. It's something that companies can no longer do without, and having BlackBerry's products and services in place will help gain the trust of customers, vendors, and regulators. And that's where I see a lot of growth for the company over the long term.

With BlackBerry stock trading at just twice its book value and near its 52-week low, there could be no better time to buy the stock than right now.

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