



## BlackBerry (TSX:BB) vs. Lightspeed (TSX:LSPD): Which Tech Stock Is a Better Buy?

### Description

When it comes to tech stocks, the **TSX** doesn't have a whole lot to offer. Sure, there's the e-commerce superstar **Shopify**, and some smaller companies like **Kinaxis** and **Enghouse**, but overall, the TSX doesn't have the kind of tech magic you'd be able to find on the NYSE or NASDAQ.

That doesn't mean there are no TSX tech stocks to choose from, however. Last year, the Canadian e-commerce startup **Lightspeed POS Inc** ([TSX:LSPD](#)) made waves by becoming one of the few successful IPOs of the year.

Similarly, the early smartphone pioneer **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) has been seeing success as a software company. These two companies have more in common than it appears.

Having pivoted from smartphones to enterprise software, BlackBerry's business model is not that different from Lightspeed's subscription-based POS service. Therefore, these two stocks could appeal to many of the same investors. So let's explore which of the two is a better buy.

### The case for BlackBerry

The biggest thing BlackBerry has going for it right now is that its software products—or at least some of them—are undeniably becoming popular.

The company's QNX software is now running on over 150 million cars worldwide, up from 120 million earlier last year — and the growth isn't finished, with the company having inked several deals with other auto makers in the most recent quarter.

Another big story from BlackBerry is that it recently [landed a deal](#) with **Canadian Pacific Railway** to provide monitoring software for its trains. The software, BlackBerry Radar, is also being used by dozens of other transportation companies.

This, combined with the company's success in car software is promising, so it's little wonder that

BlackBerry outperformed on revenue in its most recent quarter, posting \$280 million in sales when analysts expected \$265 million.

## The case for Lightspeed

By far the biggest thing Lightspeed has going for it is its steady move toward profitability. In its most recent quarter, the company lost [\\$15.8 million](#), an improvement on \$71 million in the same quarter last year.

In the same quarter, revenue jumped 51% year-over-year, which is up from previous quarters, so we've got a company that's dramatically cutting its losses while actually *accelerating* its already high revenue growth.

This is a marked departure from the likes of Shopify, whose stock price keeps soaring despite revenue growth decelerating every quarter.

As a business, Lightspeed definitely isn't as differentiated as BlackBerry. POS is a highly competitive space, with many similar software developers offering essentially the same thing.

Lightspeed's offering does offer some analytics and e-commerce features, which not all garden variety POS services have, but it's still not as unique as BlackBerry's software, which touts security as a key differentiator.

## Foolish takeaway

When most investors look for tech stocks, the TSX isn't the first place they go shopping. However, there are some gems out there if you know where to look.

BlackBerry and Lightspeed are two of the most interesting ones out there right now. While I wouldn't decisively recommend one over the other at the moment, I will say that if BlackBerry can turn its revenue growth into real profit, it will be a much better value play than Lightspeed, as it's by far the cheaper of the two stocks.

### CATEGORY

1. Investing
2. Tech Stocks

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1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:LSPD (Lightspeed Commerce)

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