



Canada's Top Tech Stock Is Now on Sale

Description

You might be surprised to hear that **BlackBerry Ltd** ([TSX:BB](#))([NYSE:BB](#)) is alive and well. In fact, it still garners a multi-billion dollar valuation. And in many ways, it looks like Canada's next top tech stock.

But what exactly does BlackBerry do these days? The company is more than a decade removed from its 2008 highs, where it controlled 20% of the global smartphone market. Today, the firm doesn't manufacture a single phone. Rather, it's [focused](#) completely on cybersecurity software.

BlackBerry's products target some of the largest growth [opportunities](#) this decade, including autonomous vehicles and the internet-of-things. This is a long-term story that should persist for years, giving patient investors a chance to capitalize on short-term gyrations in the stock price.

Since the year began, BlackBerry shares have lost 24% of their value, compared to an 11% loss for the **S&P/TSX Composite Index**. If you're willing to buy and hold, this tech stock could be the best purchase you ever make.

Here's the good news

BlackBerry's new tagline is "Intelligent Security. Everywhere." That's a perfect summation of what the company has built.

It's taken years to stage the turnaround, but the BlackBerry of today looks primed to take the global cybersecurity market by storm. That's an intriguing prospect given that many of its peers trade at five to 10 times the company's latest valuation.

What exactly has this tech stock built? The first thing to understand is that its legacy business has been completely wound-down. Its finances are now completely driven by software revenue. BlackBerry's software products span a wide variety of industries, but they are all built to secure endpoints from vulnerabilities.

Consider the global vehicle market, one of the biggest industries in existence by sales dollars. The cars

and trucks of today are closer to computers than they are to machines. The more connected our vehicles get, the more easily they can be hacked. That's frightening news, particular as we accelerate toward fully-autonomous vehicles.

BlackBerry's QNX platform is already the market leader for securing vehicle systems. It's installed in more than 150 million cars worldwide, with 90% of the world's top ten automakers incorporating the technology.

BlackBerry has emulated this success in many other fields including healthcare, big data, and industrial manufacturing.

Bet on this tech stock?

The bigger this tech stock gets, the faster it can grow. That's because BlackBerry's cybersecurity software relies on artificial intelligence. The more data points it receives, the better it becomes at detecting and thwarting threats. We're still in the early innings, but BlackBerry's lead should only grow over time.

Software products are particularly profitable, with high margins and near-zero costs of deployment. These revenues are sticky too, creating a growing recurring revenue base that generates gobs of cash flow.

Because BlackBerry is just exiting its business transformation phase, it doesn't garner the premium that other tech stocks have. **CrowdStrike Holdings Inc**, for example, trades at 36 times sales. BlackBerry stock trades at just three times sales.

While that discount is partially warranted, if the company gains traction, there could be 1,000% upside. This tech stock is just too cheap to ignore.

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