



## Update: BlackBerry (TSX:BB) Now Controls 175 Million Smart Vehicles

### Description

We got some exciting news this week. **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) QNX software is now embedded in more than 175 million cars. That's 25 million more than the company [reported](#) last summer. These are real vehicles driving on the road right now.

But wait a second. Isn't BlackBerry a smartphone company? What is it doing with cars?

Most of the market doesn't know it yet, but it no longer even makes smartphones. Instead, it's focused on next-gen cybersecurity software.

The QNX system is BlackBerry's custom-built product to secure connected cars. If your car has lane assist, adaptive lights, or any other "smart" safety feature, it's vulnerable to hacking. These vulnerabilities mount dramatically when we start talking about fully automated, self-driving vehicles.

Our cars are getting smarter every day. The associated cybersecurity risks rise in lockstep. With the QNX system, vehicle manufacturers can protect drivers from vulnerabilities. This can be the difference between life and death. It's no wonder that 90% of the top global car manufacturers adopted the product.

"QNX is a recognized name associated with safety and trust, and we continue to expect that QNX will be selected for many design wins in the future," company executives said in June.

Here's the thing: BlackBerry is just getting started. This could be your last chance to buy this hyper-growth [stock](#) before it takes off.

## A growth machine

It's not just the QNX system that makes BlackBerry a growth machine. Its Cylance division, which the company paid more than \$1 billion to acquire, uses artificial intelligence to detect threats *before* they occur. In our hyper-connected world, where data is transmitted on a millisecond-by-millisecond basis, this is a valuable asset.

Most importantly, Cylance's technology can be deployed for almost every use case. It's already part of the QNX system, but it's also available for the Internet of Things applications, plus other end markets like healthcare and consumer products.

The company added 279 customers last quarter for its Cylance-powered products. Notable additions include **General Motors**, Becton Dickinson, Philips Healthcare, SKF, the New Zealand Defense Force, and the United States Census Bureau.

"Our full-year historical compound annual growth rate or CAGR is 13%, which is well-ahead of the 5% market CAGR over the same period," CEO John Chen said last month. "Over the next five years, we plan to achieve a CAGR above the market growth rate of 11%."

## BlackBerry stock is cheap

What would you pay for a stock benefiting from strong secular growth tailwinds stemming from the necessary adoption of cybersecurity software? Let's look at the rest of the industry.

**CrowdStrike Holdings**, one of the market leaders, trades at 34 times sales. **Zscaler** trades at 38 times sales. At the lower end of the range, **Palo Alto Networks** is valued at seven times sales.

What about BlackBerry? Shares trade at just three times sales.

Of course, BlackBerry is still at the start of its growth journey. It has a lot to prove. And its legacy business of manufacturing smartphone hardware doesn't help. But if you want to capitalize on a generational growth trend at a discounted price, this is your shot.

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