



## Why I'd Buy Shares of BlackBerry (TSX:BB) Before Air Canada (TSX:AC)

### Description

It shouldn't come as a surprise to see **Air Canada** ([TSX:AC](#)) trail the Canadian market this year. Canada's largest airline stock has dropped more than 60% since the beginning of the year, in comparison to **S&P/TSX Composite Index**, which is now down just 5%.

Many companies have enjoyed an incredible run since the last week of March, which has only diminished my interest in picking up shares of Air Canada stock.

What makes me bearish on this stock is the uncertainty that not only surrounds Air Canada, but the entire airline industry. COVID-19 cases are beginning to spike again in some parts of the world, and until we have a vaccine for the virus, I'm hard-pressed to believe we are anywhere close to seeing Air Canada return to pre-COVID-19 revenue levels.

### Too cheap to ignore?

I will admit that it's hard to ignore the [potential value play here](#). Trading at a price-to-book of just over 1, Air Canada is seriously undervalued. There's also the possibility that Air Canada will emerge from this recession with an even larger market share, as smaller competitors not able to survive may be forced into declaring bankruptcy.

There are definitely bull cases out there to make for Canada's largest airline, I would just prefer to invest my money in companies that I believe have stronger growth potential.

### BlackBerry

Many companies have seen its stock price surge over the past four months, and now trading at all-time highs. While **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) may have gone on an impressive run over the past couple of months, the stock is far from trading at an all-time high.

The tech company has enjoyed a run of more than 60% since the end of March. While it may be a few more years before BlackBerry is back to trading at an all-time high, I believe there's a very real chance that the best is yet to come for this tech stock.

The \$3.5 billion company once known as a top player in the smartphone industry has since made a radical change in strategy. Today, BlackBerry provides intelligent security software and services to customers across the globe.

The AI-driven technology has propelled BlackBerry to a top player in the rapidly growing industry of cybersecurity. The company specializes in providing data privacy and protection, endpoint security management, and encryption.

The annual growth rate for the cybersecurity industry over the next seven years is projected at 12%. Already well-positioned in this high-margin industry, BlackBerry is primed to see its market share continue to [grow over the next decade](#).

## Growth through acquisition

In 2019, BlackBerry completed the acquisition of the California-based company, Cylance, for close to \$1.5 billion USD in cash. The company was considered to be a leader in the cybersecurity industry, driven by its strong machine learning and AI technology.

BlackBerry CEO, John Chen, commented after the acquisition was announced that the move will help the company inch closer to being one of the world's most trusted AI-cybersecurity companies. Management went on to explain how the Cylance AI technology will play a major role in the development of BlackBerry Spark, the company's IoT communications platform.

## Foolish takeaway

While I can see the temptation to invest in Air Canada at these prices, I'm not buying shares just yet. BlackBerry is just one example of a Canadian company with many years of market-beating growth ahead of it.

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