



3 Reasons I'd Never Sell BlackBerry (TSX:BB) Stock

Description

As a leader in the Canadian technology sector, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) doesn't need much of an introduction. It has been around for a long time and is well known as one of Canada's leading tech stocks. But BlackBerry's mistakes are as well known as its promise and its high-quality systems.

The problem is that BlackBerry has been going nowhere for a long time. The company has been struggling with lacklustre growth, and the stock has been languishing. This has surely tempted certain investors to sell their positions or stay away.

But connected cars are the future, and cybersecurity is a must. Both are areas of focus for BlackBerry, and both are booming businesses that should take BlackBerry stock higher. Here's why I'd never sell BlackBerry stock and why it is, in fact, a stock to buy.

BlackBerry is back with its 5G mobile phone

Gone are the days when BlackBerry bore the many risks of the consumer handheld phone market. In fact, the company outright exited this fickle and volatile market in 2013. But the door was always kept partially open, with the creation of BlackBerry's licensing business. This business has given the company low-risk, recurring revenue at high margins.

In the latest of BlackBerry's many licensing deals, the BlackBerry phone is making a comeback. OnwardMobility, a Texas startup, is promising to release a BlackBerry handheld device in 2021. This is a new and improved version of the old BlackBerry phone. It has the same physical keyboard but with Android and a 5G network.

This phone deal will not be big enough to move the needle for BlackBerry. But taken together with all of the company's licensing deals, we begin to see the powerhouse that is building. In fiscal 2020, licensing revenue accounted for 34% of the company's revenue. In the latest quarter, it accounted for 28%. This is low-risk, high-margin business that is recurring. It is a good bet for BlackBerry stock.

In its glory days, BlackBerry's handheld device was the go-to phone for businesses. But the mighty fell,

as consumer preferences shifted. Today, it might just be making a comeback.

Connected cars are the future, and BlackBerry is ready

While autonomous cars are at least a decade away, cars are quickly becoming increasingly connected. And many of them are equipped with BlackBerry's technology. BlackBerry QNX is at the forefront of transforming automobiles into connected systems today and autonomous vehicles tomorrow.

BlackBerry is increasingly being recognized for its leadership and innovation in this area. The company recently won the Software Supplier of the Year Award by TU Automotive. This award "recognizes global software suppliers for their development, adoption and integration of automotive technologies into vehicles."

The coronavirus shutdowns have hit the automotive sector and BlackBerry stock hard. But make no mistake, [the positive long-term growth outlook](#) remains alive and well. This makes BlackBerry a stock to buy today.

BlackBerry stock should soar off its cybersecurity exposure

BlackBerry will benefit greatly from where the world is heading. In this pandemic, the digitization of every facet of life has been accelerating at lightspeed. With this comes the need for security. This means that BlackBerry's cybersecurity offering has significant growth ahead of it.

[The reopening of economies](#) will see even greater digitization of all areas of businesses. This will increase the growth trajectory of BlackBerry's cybersecurity business. Demand for BlackBerry's endpoint security systems and endpoint management systems is already increasing.

Foolish bottom line

BlackBerry stock is a stock to buy for the long term. It is an attractive stock to turn to for exposure to secular growth industries. As coronavirus shutdowns ease, BlackBerry will return to growth. Investors will soon turn to BlackBerry stock once again. Those of us who have held on are in for massive gains.

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