



Canadians: Why BlackBerry (TSX:BB) Is the Ultimate Cybersecurity Stock

Description

When this year began, I'd recommended that Canadians should [get in on](#) the cybersecurity market. **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) has been volatile over the last five years, but it offers strong exposure to this space. Today, I want to discuss why this technology stock is worth your attention.

How BlackBerry went from hardware king to cybersecurity star

In the late 2000s, BlackBerry had established itself as a heavyweight in the fledgling smartphone market. The company was a household name, and it boasted exciting potential. However, in a few short years, it was soundly overtaken by the **Apple** iPhone and its Android counterparts. BlackBerry stock went from a valuation over \$200 in 2007 to less than \$10 by 2012.

Fortunately, its fall from grace in the hardware market was not the end for the Waterloo-based tech company. In November 2013, BlackBerry brought on turnaround specialist John Chen as its CEO. Since then, the company has managed to forge a promising path ahead in the software space. It has carved out an impressive footprint in the cybersecurity space.

BlackBerry sought to improve its offering with the acquisition of Cylance that closed in early 2019. In 2017, the company launched a cybersecurity consulting service.

Why Canadians need to lock in on this market

In August, the Canada Revenue Agency (CRA) announced that it suffered a significant data breach. The CRA later revealed that suspicious activity had been found on more than 48,000 user accounts. This was four times as many as previously estimated. In the beginning of September, I'd discussed how this breach illustrated the [need](#) for investors to bet on investment in cybersecurity.

A report from **IBM** said that 42% of Canadian data breaches were caused by malicious attacks in 2020. It estimated that the average cost of data breaches climbed 6.7% from 2019. IBM praised Canada for its proactive cybersecurity approach. Investors should expect investment to continue to increase in the

public and private sector. BlackBerry has a great shot to play a big role for the rest of the 2020s.

Is BlackBerry stock a buy today?

The company is expected to release its second-quarter fiscal 2021 results later this week. In Q1 FY 2021, it delivered non-GAAP revenue of \$214 million. While BlackBerry has a nice footprint in cybersecurity, it has taken a hit due to its exposure to the auto sector. Macro headwinds in this space weighed on its performance in the first quarter. It elected not to provide financial outlook for the 2021 fiscal year due to uncertainty surrounding the COVID-19 pandemic.

BlackBerry will host an annual security summit on October 5-7. This will bring industry leaders from across the world. Shares of BlackBerry last possessed a favourable price-to-book value of 1.4. The stock last had an RSI of 45, which puts it in neutral price levels according to this indicator. I still love BlackBerry as a long-term buy and hold, but investors should be wary of more volatility in the near term.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/26

Date Created

2020/09/22

Author

aocallaghan

default watermark

default watermark