



## If You Like Apple Stock, You'll Love Its New Competitor

### Description

**Apple** ([NASDAQ:AAPL](#)) stock has done incredibly well over the years. Since 1980, shares have risen by 100,000%.

Now valued at \$2 trillion, it's possible that the company's best days of growth are behind it. The stock may still be a great long-term holding, but if you want the ridiculous growth rates of the past, you'll need to go [smaller](#).

There's one **TSX** in particular with a \$3 billion price tag, even though the rest of the industry trades at *10 times* the valuation. Few investors think of this business as an Apple competitor, but in many ways, it's a few steps ahead.

### Stick with software

*"Software is eating the world."* That famous line came from Marc Andreessen, one of the early pioneers of the internet.

"More and more major businesses and industries are being run on software and delivered as online services — from movies to agriculture to national defense," Andreessen [wrote](#) nearly a decade ago. "Over the next 10 years, I expect many more industries to be disrupted by software, with new world-beating Silicon Valley companies doing the disruption in more cases than not."

Of course, Andreessen was right. Our world today is very much built on software, so much so that a single bug could cause catastrophic damage. Apple was a little late to the party, but it's now investing billions to focus more on software.

Apple's most famous products are its MacBooks, iPhones, AirPods, and Apple Watches. These are hardware devices. They exist in the physical world. Software, on the other hand, can be replicated and beamed around the world in an instant.

It's easy to see why software has superior economics. These products don't cost anything to deploy to

another customer, whereas hardware has additional raw material and production costs. Customers also usually pay licensing fees, meaning they pay for the software again and again, even though the producer incurs no additional costs.

Apple is quickly pivoting into a software company. While it still makes a ton of devices, it now offers subscriptions for news, television, fitness, financial products, and more. The future is software, but there's one competitor that's *years* ahead.

## This stock beats Apple

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) understood that hardware was a dying business long ago. Today, it no longer produces its eponymous smartphones. Instead, it's a pure play on cybersecurity software.

BlackBerry already has an impressive start. Its Cylance division uses AI to thwart attacks *before* they begin. Its QNX platform is already installed in more than 160 million vehicles worldwide. No one thinks of BlackBerry as a software company, but the transformation is already complete.

The market loves Apple's pivot to software. The stock trades at seven times sales. The software industry as a whole trades above 10 times sales, so there's still room to run.

Meanwhile, BlackBerry trades at just three times sales. The market is excited about Apple's transition, but continues to ignore BlackBerry's historical progress.

In the race to become a software company, BlackBerry is already several years ahead of Apple. You can beat the market to this stock by buying now.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)

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