



## 2 Cyber Security Stocks to Own This Decade

### Description

In early 2020, I'd discussed how investors could [seek exposure](#) to the cybersecurity space. The COVID-19 pandemic saw the private and public spheres lean more heavily on their digital footprint. Political and business leaders warned of a potential "cyber pandemic" in the most recent World Economic Forum (WEF) meeting.

Grand View Research recently released a report that projected the global cybersecurity market would register a compound annual growth rate (CAGR) of 10.9% from 2021 to 2028. Today, I want to look at two cybersecurity stocks that are worth owning for the long term.

### Why BlackBerry is still making big strides in this space

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is a Waterloo-based company that has transitioned from being a major hardware power to a software-focused firm. Its shares have climbed 45% in 2021 as of early afternoon trading on July 27. However, this cybersecurity stock has plunged 22% month over month.

The company released its first-quarter fiscal 2022 results on June 24. Its cybersecurity revenue rose to \$107 million with a gross margin of 57% and an ARR of \$364 million. BlackBerry also announced BlackBerry Optics 3.0, next-generation cloud-based endpoint detection and response (EDR) solution.

Moreover, it expanded on its Extended Detection and Response (XDR) strategy with the launch of BlackBerry Gateway.

BlackBerry is still on track for [strong earnings growth](#) going forward. However, it is also facing big competition in this space. Larger cybersecurity firms in the United States and Israel still largely dominate this market.

### This cybersecurity stock continues to fly under the radar

**Absolute Software** ([TSX:ABST](#))([NASDAQ:ABT](#)) is a Vancouver-based company that develops,

markets, and provides cloud-based endpoint visibility and control platform for the management and security of computing devices, applications, and data for enterprise and public sector organizations. This cybersecurity stock has climbed 12% so far this year. However, its shares have dropped 5% month over month.

Investors got a look at its third-quarter fiscal 2021 results on May 11. Total revenue rose 18% year over year to \$30.7 million. Meanwhile, adjusted EBITDA hit \$7.7 million – 25% of revenue, up from \$6.1 million in Q3 fiscal 2020. Cash generated from operating activities grew to \$7.3 million compared to \$3.7 million in the prior year.

In January, Absolute Software expanded its Application Persistence Portfolio with the addition of the **Palo Alto Networks** GlobalProtect security platform. It was also designated as a Cyber Catalyst by Marsh & McLennan. Better yet, the cybersecurity firm boosted its financial outlook for the remainder of the fiscal year. It anticipates revenue growth between 12% and 14%.

Meanwhile, it raised the outlook on adjusted EBITDA from 22% to 24% of revenue. Moreover, Absolute Software bolstered its outlook on cash from operating activities margin from 26% to 34% of revenue.

Shares of Absolute Software are still trading in favourable value territory relative to its industry peers. The cybersecurity stock also offers a quarterly dividend of \$0.08 per share. That represents a modest 1.8% yield.

## CATEGORY

1. Investing

## TICKERS GLOBAL

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2. NYSE:BB (BlackBerry)
3. TSX:ABST (Absolute Software)
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