



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

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