



2 Ideas for the Cybersecurity Revolution

Description

Ever since the onset of the COVID-19 pandemic, many organizations around the world have moved to remote structures. Employees have been working from home for months. Because of this incredible shift in social norms, companies have had to consider which aspects of their network are currently lacking.

In many cases, companies will not have been sufficiently equipped to defend their networks from attackers. With that said, which cybersecurity stocks should benefit from this change?

A leader in Canadian endpoint security

This first company is one I have [previously covered](#). However, I believe that it is only right to highlight the company again due to the importance of this industry moving forward. **Absolute Software** (TSX:ABT) specializes in endpoint security and data risk management. The company's key offering, Absolute Persistence, has been an endpoint security industry leader for over 25 years.

Today, Absolute's software is embedded into more than 500 million devices worldwide. Absolute Software claims more than 200 companies within the Fortune 500, 170 companies in the Global 500, and 30 national governments as customers. All things considered, the company serves about 13,000 customers and holds 140 patents. In 2020, *Forbes* named Absolute as one of the Top 10 cybersecurity companies to watch in 2020.

Although the company seems like it already has a firm grasp in the industry, Absolute's management team believes there is still a very long growth runway ahead. In 2012, Absolute estimated a [global security spend](#) of \$60 billion. By 2023, the company expects this number to grow to \$190 billion. Of that, \$56 billion could be spent on endpoint security. If this turns out to be the case, then Absolute Software could be an excellent company to watch moving forward.

In the next year, Absolute Software plans on unveiling new product offerings and entering new markets. It believes that these two growth strategies will provide adequate momentum for the company, resulting in increasing revenues. Speaking of which, 96% of the company's revenue

currently comes from recurring payments. This provides the company with a reliable and predictable revenue stream, which should be very intriguing to investors.

There is no doubt that cybersecurity is becoming increasingly important. The COVID-19 pandemic has done nothing but accelerate its need across the world. Absolute Software may be an interesting choice for Canadians to consider.

This ETF provides a basket of options within the industry

The second stock I will mention is actually an exchange-traded fund (ETF). I think ETFs are great for investors that do not want to spend time keeping up with individual companies or are unable to identify the leaders in an industry. Investing in an ETF spreads your capital across many companies, which reduces the risk in investing in any particular company.

One cybersecurity ETF that investors should consider is the **Evolve Cyber Security Index Fund**. This ETF provides investors exposure to top companies such as **CrowdStrike, Zscaler, Okta, and Fastly**. I think this fund is particularly intriguing, because it offers a portfolio that is not only geographically diversified but also in the type of security these companies offer. For investors that are interested in a solid cybersecurity ETF, this is definitely one to consider.

Foolish takeaway

Cybersecurity has gone from being a niche piece of enterprise software to a necessity. In Canada, Absolute Software stands out as a possible leader. If you are interested in finding an ETF in the industry, the Evolve Cyber Security Index Fund could be a great choice as well.

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1. TSX:ABST (Absolute Software)

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