



How Far Can BlackBerry Ltd. Soar in 2018?

Description

Shares of **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)) rose 6.98% to kick off the first trading day of 2018. BlackBerry stock climbed 55.5% in 2017. There are a number of reasons to be confident that the company will continue to carry momentum into this year. BlackBerry should continue to establish itself as one of the [top tech growth](#) stocks throughout 2018.

A foothold in fast-growing markets

In a late November article, I'd [discussed](#) the Uber hack and why it should inspire market watchers to invest in cybersecurity. Uber released information in December that revealed as many as 815,000 Canadians may have been affected by the data breach. Some of the information taken included names, email addresses, and mobile phone numbers.

This came months after the data breach at **Equifax Inc.**, which exposed the information of more than 145 million Americans. Equifax revised down the number of Canadians affected to 8,000 from the original 100,000.

Gartner Inc., a U.S.-based information technology research and advisory firm, projected that the cybersecurity market would grow by 7% in 2018 to \$93 billion from \$86.4 billion in 2017. This does not include other sectors of the cybersecurity market, including ICS security, medical device security, and many others. Cybersecurity Ventures estimates that global spending on cybersecurity products and services will surpass \$1 trillion from now until 2021. It expects growth between 12% and 15% year over year.

In October, BlackBerry launched cybersecurity consulting services in response to these recent attacks. The company already possesses an impressive global footprint, providing mobile security services for several governments, including Canada and the U.S.

BlackBerry has also successfully marketed its autonomous vehicle systems. For example, **Ford's** Sync 3 interactive system runs on BlackBerry's QNX operating system. Some analysts are confident that this operating system will be adopted by more companies in the auto industry moving forward. Research and Markets released a report in the summer of 2017 that projected that the global autonomous

vehicle market would grow at a compound annual growth rate of 39.6%, reaching \$126.8 billion by 2027.

Impressive third-quarter results

BlackBerry released its third-quarter results on December 20, 2017. The company reported record software and services revenue for the second straight quarter — \$199 million. It also posted record gross margin of 77% (non-GAAP) and 74% (GAAP). The QNX design won 10 automotive suppliers in the third quarter. It now boasts partnerships with **Magna International**, Bosch, and Denso.

CEO John Chen was happy to report the progress in the most recent quarterly report. “Our strategy is working and our execution is yielding results,” he said in the conference call. “We are a market leader in secure endpoint management and embedded software.”

The growth of the cybersecurity and autonomous vehicle industry vindicates Chen's position that “BlackBerry's market opportunity is significant.” BlackBerry stock remains a fantastic long-term play and is one of the few top Canadian companies with such a significant foothold in two industries offering explosive growth over the next decade.

CATEGORY

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2. Tech Stocks

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aocallaghan

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