



3 Reasons to Buy BlackBerry Ltd. (TSX:BB) Ahead of Q1 Earnings

Description

BlackBerry Ltd. ([TSX:BB](#))([NYSE:BB](#)) stock has climbed 12.9% in 2018 as of close on June 20. Shares are up 11% year over year. The company is set to release its fiscal 2019 first-quarter results on the morning of June 22.

In fiscal 2018 BlackBerry made some encouraging strides. Total non-GAAP software and services revenue grew 14% year-over-year to \$782 million. The company also posted free cash flow of \$47 million. It was a great way to cap off the fiscal year and marked the next stage in what has been an impressive comeback since the decline of its hardware empire.

BlackBerry's stock price has more than doubled since the appointment of CEO John Chen. Here are three reasons investors should expect the stock to continue its positive trend in the second half of 2018 and beyond.

BlackBerry adds an appealing new security feature

For those seeking exposure to the [thriving cyber security market](#), BlackBerry is a fantastic option. Its mobile security is used by top government agencies around the world, but the company has also made some basic services available to everyday consumers.

On June 14 BlackBerry launched an update for its BlackBerry Shade application. BlackBerry Shade lets users control the visibility of sensitive content on their phones, which also includes the ability to view and send sensitive content in the open. The new "Redactor" mode lets users redact sensitive content on their phones and switch between Redactor mode and Share mode.

Pressing its advantage in self-driving car market

BlackBerry has worked hard to establish a foothold in the autonomous vehicle industry, which is projected to post [massive growth](#) over the coming decades.

BlackBerry partnered up with internet research firm **Baidu Inc.** back in January to develop self-driving vehicle technology. However, CEO John Chen has pointed out that the industry will take time to get off

the ground. "Let's say (in) 2021, you're not going to see a lot of them – if there are any," Chen said to shareholders on June 20. "My speculation: ten years is probably closer to the truth than three years."

The company is working with the private and public sector worldwide in order to coordinate development, but with governments struggling to catch up to the new technology, it's slow going. Orbis Research recently projected that the global autonomous vehicles market will post a CAGR of 42% by 2022. The growth potential is massive in this industry, and BlackBerry is well positioned to take advantage of this growth.

BlackBerry partners with DMC in evolving trucking industry

On June 13, BlackBerry and DMC Insurance announced a partnership to help trucking companies better manage the total cost of risk. Blackberry Radar will be used to collect data in order to improve the industry — an interesting development considering the development of self-driving trucks that could also revolutionize this industry.

All of these factors point to a positive long-term picture for BlackBerry. Revenue is projected to ramp up in the latter quarters of fiscal 2019 for BlackBerry, so a dip in Q1 may provide investors with a buying opportunity.

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