



BlackBerry (TSX:BB) Stock Gains From Artificial Intelligence

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock is rebounding as its re-brand as a leader in artificial intelligence and cybersecurity catches on in the technology community. More specifically, building upon its organizational knowledge of mobile technology, BlackBerry markets mobile [cybersecurity technology](#).

BlackBerry's financial performance are all green-lighting long positions in the stock. The company has restored its levered free cash flow to \$162.88 million. The positive free cash flow is a sign that the stock has successfully turned around.

Levered free cash flow is a popular measure of actual shareholder returns considering financing. A positive levered free cash flow is excellent for shareholders, while a negative free cash flow means a good portion of the company's profits allocates to financing costs.

BlackBerry proves it has staying power

BlackBerry is still around even though its cellular devices, which were once the most popular in the market, couldn't compete with the iPhone. When smartphones took off after **Apple** first launched the iPhone, BlackBerry soared to a high of just under \$150 by 2008.

The price rise didn't last long. It soon became clear to shareholders that BlackBerry wasn't going to remain a market leader in mobile technology. By 2012, BlackBerry had fallen to less than \$10 per share. Investors who'd bought in at the stock's highs would never even see decent dividend returns from their investment.

BlackBerry is rebounding with cybersecurity

BlackBerry stock is setting itself up to bounce with its continued perseverance in artificial intelligence. It is impressive that the stock still lists on both the NYSE and TSX. The stock has been pulling in more substantial and sustained volume on the exchanges — a sign that [demand for BlackBerry stock](#) is improving.

These volume gains are coming about from exciting announcements about the corporation's development of cybersecurity technology, which integrates artificial intelligence and machine learning to create bulletproof computer and mobile technology. Hackers will have a hard time breaking into your mobile device protected by the reputable BlackBerry software, Cylance Protect.

Cylance Protect uses data science and machine learning to identify and protect the most at-risk endpoints within your devices. Demand for the product will only increase, as cybersecurity and data privacy become a higher priority among medium to small business owners.

Foolish takeaway

BlackBerry has proven that it can get through the bad times with shareholders — and reward them during the good times. But which shareholders have proven their loyalty?

If you haven't been a loyal BlackBerry investor all these years, don't fret. No one is going to blame you for lacking confidence in the stock. It is hard to be loyal to a stock that has only returned capital losses to investors and no dividends for over a decade.

Nevertheless, this losing streak is about to rebound. Canadian investors should undoubtedly begin to develop some loyalty to this stock, because the next 10 years appear to be more profitable for the company.

Cybersecurity and artificial intelligence are fields with very little competition in the technology sector. There is too short a supply in trained labour in this area for the competition to be more robust. Thus, BlackBerry possesses a knowledge and experience advantage over latecomers to the vertical.

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Date

2025/06/28

Date Created

2019/11/07

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