



Why BlackBerry (TSX:BB) Stock Is a Screaming Buy Today

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is a top Canadian technology company that has had an interesting journey in the 21st century. In the 2000s, BlackBerry established itself as a powerhouse in the hardware space. Its products were world renowned in the smartphone category. However, competition from Android and eventually the **Apple** iPhone would see BlackBerry evicted from its privileged position in the marketplace.

Since then, the stock has been equal parts enticing and frustrating. Today, I want to take a snapshot of the company so far in 2020. Moreover, I want to discuss why I'm still bullish on BlackBerry this decade.

BlackBerry: The story so far in 2020

Shares of BlackBerry have dropped 23% in 2020 as of close on August 11. The stock is down 30% year over year. Meanwhile, Canadian tech stars like **Shopify** and **Kinaxis** have put together banner years in the face of the COVID-19 pandemic. Unfortunately, BlackBerry has been punished due to its exposure to the automotive sector.

When this year began, I'd recommended that investors scoop up BlackBerry [in anticipation of a strong decade](#). One of the reasons I was bullish on the company was its role in the automated vehicle space. In the first quarter of fiscal 2021, CEO John Chen conceded that BlackBerry QNX was "impacted by headwinds in the auto and other embedded sectors." However, Chen said that there were solid signs of recovery to kick off the summer season.

Despite the poor performance in Q1 FY2021, the company entered the remaining three quarters of the fiscal year with a virtually flawless balance sheet. Moreover, it is still on track for strong revenue growth.

Why I'm bullish on this tech stock for the long term

BlackBerry stock jumped in late 2019 on the back of its revenue forecast for the coming year. Investors should feel great about its evolving cybersecurity and automated vehicle software segments.

Earlier this summer, ResearchAndMarkets released its forecast on the global cybersecurity market. It expects the global market to grow from roughly \$150 billion in 2019 to \$208 billion by 2023. This would represent a CAGR of 11%. The private and public space has been hit hard due to the COVID-19 pandemic. Still, these entities will continue to bolster their cybersecurity capabilities going forward.

The future of the autonomous vehicle market looks even brighter. ResearchAndMarkets also released projections on this sector. It expects the automated vehicle software market to progress at a CAGR of 36% from 2020 to 2024. This is an area where BlackBerry can really maximize its advantages. The automotive sector has taken a hit due to the COVID-19 pandemic, but investment in this technology will continue

Why BlackBerry is a buy today

As I'd mentioned, BlackBerry still possesses an immaculate balance sheet. This means it is [well equipped](#) to weather this turbulent economic period. Shares of BlackBerry last had a favourable price-to-book value of 1.4. Moreover, investors can count on the strong leadership of turnaround specialist John Chen. This is a stock that can reward patient investors in the long term.

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