



BlackBerry: A Growth Stock at a Discount

Description

Recently, growth investors have been having a hard time generating substantial returns from the market. Growth stocks have underwhelmed, as a rotation toward value is underway.

That said, despite the massive drop in valuations in the tech sector of late, the bull market for growth stocks may be far from done. For those [bullish on growth](#), **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) could be a great pick in this environment.

BlackBerry's selloff wasn't limited to only bond yield concerns and growth stock selling. The company was entangled in the meme stock hysteria, which took such stocks on a wild ride earlier this year. Like most meme stocks, its share price has quickly corrected.

That said, BlackBerry shares are now trading at levels near where they started the year. Thus, some investors will find this stock more interesting in this environment. The growth thesis with this stock remains, and I think BlackBerry is indeed a solid growth pick in this environment.

Amazon partnership provides massive upside

In December 2020, **Amazon** Web Services (AWS) entered a potentially lucrative agreement with BlackBerry. The deal was aimed at focusing on developing BlackBerry's Intelligent Vehicle Data Platform. This platform is being used widely in the connected vehicle market. Investors are bullish on this deal, hoping an Amazon partnership could help propel BlackBerry's software to become even more mainstream.

Indeed, data and connectivity are forming newer avenues for improved innovation in the automotive sector. BlackBerry has incredible potential to cash in on this deal and strengthen its market presence. I think this deal could put BlackBerry at the forefront of a transformative technological shift in how vehicles are produced.

Some investors have become concerned about the company's short-term performance, given the company's turnaround efforts. Indeed, BlackBerry has been in turnaround mode for a few years now.

Its shift from hardware-based business to software-based operations is taking time. That said, if investors consider the long-term impact of AI-powered technology and connected cars, I think many investors will find BlackBerry's long-term potential quite lucrative.

Bottom line

BlackBerry is a quality growth stock that is still a hot stock today. Compared to its meme stock levels, BlackBerry trades at an attractive discount.

For investors who were buying BlackBerry stock above \$30 per share earlier this year, buying in at this price should be a no-brainer. Nothing much has changed on the company's growth thesis. Indeed, there's a real underlying reason to own this stock, unlike some of its peers.

That said, there's still a speculative element present with this stock right now. Indeed, any "meme stock" should be considered one with significant downside risk over the near term. That said, if you're bullish on this company long term, buying in at these levels certainly makes a lot of sense compared to where this stock traded previously.

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