



BlackBerry Stock: A Growth Pick With Some Hair

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) has been all over the news this year.

Indeed, the meme stock craze took BlackBerry stock and its shareholders on a wild ride in January. BlackBerry's stock price spiked more than 400% from the beginning of the year to its peak on a parabolic move.

Of course, discussions about a potential short squeeze in all these stock drove these gains. Investors were speculating on momentum. And as we found out with most of these squeeze attempts, when the momentum stops (or even slows), things can turn round in the wrong direction.

Accordingly, today, BlackBerry stock is trading right around where it started the year. Thus, investors may want to assess how BlackBerry looks as a long-term investment after giving up most of its hype-related gains.

So, let's do that.

The Amazon deal is still on

Prior to the short-squeeze mania earlier this year, BlackBerry stock saw a massive short-term spike many investors may have forgotten about. This spike came after the company announced a partnership with **Amazon.com** to develop its Intelligent Vehicle Data program (IVY). In fact, the news of this deal drove the share price 65% higher immediately upon the announcement.

That deal isn't dead. Far from it.

The company is still well positioned to take advantage of the growth this deal provides. The connected vehicle market is a massive one. And it's growing fast. Investors looking to get on the right side of this trade, with a company known for its security-oriented software background should certainly consider BlackBerry at these levels.

Indeed, I believe this partnership sets BlackBerry stock up for some impressive long-term growth. At least, the potential is there. However, questions remain about how well BlackBerry will execute on these opportunities over time.

Execution risk: A huge concern for BlackBerry

I think BlackBerry have two big needs they want satisfied. First, investors will want to see BlackBerry finally deliver on the growth that has been promised as a result of this multi-year-long turnaround. Second, BlackBerry will be expected to turn its current partnerships into sustainable income and cash flow growth over time.

Sadly, this company's [recent earnings report](#) has failed to impress many, to say the least. The company's Q4 revenue was down more than 15% year on year. Despite three major acquisitions, BlackBerry recorded the worst figures in Q4 in terms of revenue growth in some time.

However, BlackBerry's management team was quick to note the company had limited its patent monetization activities because of its ongoing negotiations to sell part of its patent portfolio. Accordingly, the company's licensing revenue is less than what it should have been by the end of the quarter.

Yes, there's reason to be concerned with the numbers. However, I think for investors who believe in CEO John Chen's turnaround efforts, this stock is attractive at these levels. Execution risk is always present with every stock, but slightly more so with BlackBerry. Accordingly, investors should expect some volatility if earnings don't come in as expected in the coming quarters.

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