



BlackBerry Stock: A Speculative Buy for Risk-Seeking Investors

Description

BlackBerry Ltd. ([TSX:BB](#))([NYSE:BB](#)) has making a tonne of [headlines](#) this year. As far as Canadian stocks go, it's gotten more attention than nearly any other company during this recent meme stock rally.

Indeed the fact that BlackBerry has been included in the meme stock grouping has brought the company's business model once again to the forefront of investors minds. Indeed, retail investors like this stock. It's a play on growth, and Reddit-inspired traders like that. The parabolic swing in January was an amazing near-term move.

That said, let's take a look at why this stock might now be a speculative buy for growth investors. Indeed, BlackBerry stock has now been beaten down to the level it started the year at. Thus, for growth investors looking to pick up shares in growth companies at a reasonable price, now may be the time.

Here's why this stock is down, and why it's an intriguing pick today.

Poor earnings highlights execution risk

In its Q4 earnings report, Blackberry reported a staggering loss of \$315 million. The company grew its net loss from US\$0.07 per share to US\$0.56 per share on a year-on-year basis. These figures are quite shocking, given that it was just in January that the stock price touched its decade-high value.

BlackBerry's quarterly revenue was also down from \$282 million to \$210 million. Negative top and bottom line growth is not a good thing. That said, the company did produce a profit of \$0.03 on an adjusted basis. But investors seem to want more from this company right now.

Indeed, these figures are disappointing, and investors are rightfully concerned following the earnings call. As a turnaround play, BlackBerry's still not showing signs it has officially turned the corner as of yet. Accordingly, investors are correctly pricing in higher execution risk for this stock.

Until BlackBerry produces results in line with investor expectations, I expect some downside on the

near-term horizon. However, I also think long-term investors need to be patient with CEO John Chen's turnaround efforts. This is a long-term turnaround play, and needs to be treated as such.

The Amazon deal is still happening

One of the reasons I think it's worth being patient with this stock is the company's recent deal with **Amazon**.

Indeed, investors may forget that BlackBerry was already making headlines even before the WallStreetBets fiasco. A massive 65% spike was seen in company stocks following the announcement of a partnership with Amazon Web Services to develop their Intelligent Vehicle Data Program or project IVY. It is a cloud-based, scalable software platform that automakers can use to read and vehicle sensor data in real time.

Given this firm's history with security-focused software, I think this deal is a win-win for both parties. Accordingly, I think BlackBerry is well positioned to capitalize on the growth potential of this deal long-term. For those with longer investment time horizons, this deal makes a heck of a lot of sense.

Indeed, BlackBerry is one of those high-risk, high-reward types of plays today. However, for those looking to make a speculative bet, BlackBerry is one of the meme stocks I'd actually get behind today.

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