



BlackBerry Stock: These Factors Make it a Great Buy Today

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock traded on a slightly negative note on June 23 — a day before its first-quarter earnings event. While the stock fell by 2.1% on Wednesday, it's still trading with about more than 30% gains for the month — thanks to the recent [Reddit trading frenzy](#). I expect BlackBerry stock to yield solid returns in the long term, and its first-quarter earnings event could act as a catalyst to start its long-term rally.

BlackBerry to report Q1 2022 results today

BlackBerry will announce its earnings results for the first quarter of the fiscal year 2022 after the market closing bell on June 24. Bay Street analysts expect the company to report a nearly 20% YoY (year-over-year) drop in its Q1 total revenue to US\$171.3 million.

This expectation is in line with BlackBerry's revenue guidance for the first half of fiscal 2022. In March, its management suggested that its licensing revenue is expected to be lower in the near term due to its ongoing negotiation with a North American party to sell the portion of its patent portfolio. BB expects its licensing segment revenue in the second half of fiscal 2022 to be stronger than the first half. Nonetheless, its revenue from the software and services segment could continue to improve throughout the year.

Key future growth drivers

In March, BlackBerry's management [revealed](#) that it currently has design wins with 23 of the world's top 25 electric vehicle (EV) makers. According to the management, these 23 companies account for nearly 67% of global EV production. This data reflects how BlackBerry is likely to benefit from the upcoming electric vehicle revolution in the coming years. BB is currently developing an integrated vehicle data platform called IVY in partnership with **Amazon** Web Services to increase its footprints in the autonomous and electric vehicle segments further.

Earlier this year, the Chinese tech firm **Baidu** announced that it would build its machine maps on

BlackBerry's QNX platform. Machine maps are a critical part of autonomous vehicles. These automotive segment-related factors could become big financial growth drivers for BlackBerry in the future.

Apart from its efforts to benefit from futuristic automotive technology, BlackBerry's cybersecurity business could also grow multifold in the long term. As more businesses are adopting new technologies and increasing their online presence, they would require reliable cybersecurity solutions to protect their data. That's why the demand for BlackBerry's enterprise cybersecurity solutions would invariably rise in the coming years. These factors make its stock worth investing in.

When to buy the stock

BlackBerry stock is currently trading on a mixed note. The stock posted its multi-month high of \$24.35 per share on June 3. Since then, it has seen 34% value erosion and is currently trading right above its support level near \$14.90 per share. You can buy its stock on a dip right now and hold it for the long term. However, I would caution investors with a low-risk appetite, as the recent Reddit trading mania and its Q1 earnings event could keep BB stock highly volatile in the near term.

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