



Why I'd Buy the Dip on BlackBerry Stock Post-Earnings

Description

Growth stocks are once again in the purview of many investors. Indeed, bond rates continue to remain near historic lows. Accordingly, investors in **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock continue to have a lot to like about these current market conditions.

Indeed, as far as growth plays go, BlackBerry stock remains an [intriguing choice](#) right now. The company's core software business has finally started to turn the corner. And what appears to be a long-term turnaround is finally starting to make sense to some investors.

Couple these catalysts with the red-hot price action BlackBerry has seen as a result of meme stock mania, and investors have gotten a glimpse of what sort of results momentum can provide in today's market. Of course, those betting on a squeeze may ultimately be disappointed. Additionally, BlackBerry's recent earnings results haven't been top notch. However, there's reason to like BlackBerry stock post-earnings.

Here's why.

Relatively strong earnings a positive for BlackBerry stock

After [reporting earnings](#) last Friday, shares of BlackBerry fell off a cliff. That said, BlackBerry stock has almost recovered all its losses following the company's earnings report.

Indeed, the company reported a mixed bag of results. Revenue growth was negative on a year-over-year basis. The company brought in only US\$174 million compared to US\$206 million during the same quarter last year. Of course, negative earnings growth is not a good look for BlackBerry stock. Long-term investors may simply choose to look elsewhere for growth. After all, it appears BlackBerry is a little light in this department.

However, there is good news with this earnings release. The company reported it slimmed its net loss to only US\$62 million this past quarter. Thus, investors saw a vast improvement from last year's US\$636 million loss.

In other words, BlackBerry is pulling in less revenue, but the company's finding a direct path toward profitability.

For long-term tech investors, that's music to the ears. Indeed, BlackBerry's shift to having more than 60% of its revenue come from its cybersecurity division, with IoT making up roughly 25% and licensing making up the rest, shows the trajectory this company is on.

Bottom line

If BlackBerry can successfully capitalize on its high-profile partnership with **Amazon** to grow its QNX sales and market penetration in the IoT space, there's no telling how far and fast BlackBerry stock could run. Indeed, this is an exciting stock to watch today.

Personally, I think most of the noise around the meme stock hype with BlackBerry stock is just that — noise. Long-term investors would be better served focusing on the fundamental growth drivers of this stock and its existing performance. On these metrics, the future looks brighter than many think with BlackBerry stock.

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1. Investing
2. Tech Stocks

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3. TSX:BB (BlackBerry)

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