



Is it Too Late to Buy BlackBerry (TSX:BB) Stock?

Description

A Canadian [tech stock](#) prominently appears on the list of meme investors in 2021. However, **BlackBerry's** ([TSX:BB](#))([NYSE:BB](#)) year-to-date gain is not as astronomical as **GameStop's** and **AMC Entertainment's**. The difference is that BlackBerry isn't an easy come, easy go stock like the U.S. stocks.

Movie theatre operator AMC, the poster child of [Reddit traders](#), is losing steam and has fallen 35.52% since July 1, 2021. Video game retailer GameStop remains high at \$169.04, although it dropped 17.28% during the same period. Meanwhile, BlackBerry investors are up 50.36% year to date. The growth potential is massive, so you might miss the bus if you don't pick the stock at \$12.69 today.

Key market opportunities

Things are looking bright for BlackBerry since shifting from a smartphone maker to an intelligent security software and services provider. The focus of this \$7.18 billion company from Waterloo is on two key market opportunities. Today, the business revolves around cybersecurity and the Internet of Things (IoT).

In Q1 fiscal 2022 (three months ended March 31, 2021), revenue fell 15.53% versus Q1 fiscal 2021. However, BlackBerry's net loss lessened by 90.25% year over year. The cybersecurity revenue is nearly \$175 million, while IoT revenue is growing and stands at \$43 million. Licensing and other revenue reached \$24 million.

Expansion and partnerships

BlackBerry's quarterly results indicate the pivot to a new business is finally paying off. During the conference call, its executive chairman and CEO John Chen confirmed that IoT and cybersecurity are the two biggest [market opportunities](#). Management organized BB's software and services business around both.

Chen also mentioned the progress of product development in the past few years. He added that the company turned up the noise in marketing while simultaneously expanding channels and forging partnerships. For the IoT segment, BlackBerry's QNX is now the acknowledge leader in for safety-certified embedded software in automotive.

The company established the IVY Innovation Fund. BlackBerry will fund start-ups adopting the IVY platform. Its first investment was in electric vehicles in the battery management space. However, the top growth catalyst should be the partnership with **Amazon** Web Services to BlackBerry IVY, a scalable, cloud-connected software platform for automakers and drivers.

On the cybersecurity side, BlackBerry boasts of Spark Endpoint Security and Endpoint Management Products. It also has a Critical Event Management software (AtHoc) and a secured voice and text product (Secusmart). Chen said BlackBerry has the most matured AI engine in the space. It can block ransomware years ahead of time without updating technical issues.

Collaborations in the public and private sector

BlackBerry deals with governments and the healthcare sector. Among its prominent collaborations in North America are with the federal government of Canada and the U.S. Department of Energy and the U.S. Department of Commerce. In Europe, the company conduct business with the U.K. NHS Health Services, the Netherlands Ministry of General Affairs, and Australia's Department of Environmental and Energy.

BlackBerry's partners in the private sector includes **Telus**, **Verizon**, and **Vodafone**. Its critical management product is now integrated with **Microsoft**. Management is also growing its sales force and expects to end Q2 2022 with 23% more sales representatives than the fiscal year's start.

Go ahead and invest

Go ahead if you want to invest in BlackBerry. Take it from John Chen when he says the company focuses on fundamentals, not the Reddit frenzy.

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