



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

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has generously rewarded investors in 2021. Despite a recent pullback, year to date, its stock is still up 52%. Year over year, the stock is up over 100%. Yet returns have largely been propelled by euphoric Reddit traders. Of course, BlackBerry has a lot of buzzwords associated with its business, like *the internet of things*, *electric vehicles*, and *cybersecurity*.

BlackBerry stock has failed to earn shareholders consistent returns for years

For years, BlackBerry's financial and operational results have failed to consistently meet the market's expectations. Since 2016, the company actually has negative revenue and earnings growth.

Management often states that it is right around the corner of something "great," but operationally, it often falls short. Regardless, its management team is happy to accept very rich compensation packages that generally come at shareholders' expense.

Perhaps, it may one day *really* turn the corner. Yet, recent results don't really indicate that. Given the run up in its stock price, BlackBerry is a pretty expensive stock. So, is it a buy today? Probably not.

Consequently, I believe there are likely better growth opportunities. Here are three Canadian [technology stocks](#) I would consider for long-term wealth-compounding positions instead.

Forget BlackBerry stock: This stock still has years of upside

If you want a growth stock that has garnered market leading returns for years, then you don't get any better than **Constellation Software** ([TSX:CSU](#)). Since inception, this stock has returned nearly 40% annual average returns. Talk about consistency *and* execution!

As this company reaches a market capitalization of nearly \$41 billion, growth gets harder. Yet if you even cut its return of invested capital in half, you could still end up with +20% potential annual returns.

Given the quality of its balance sheet, its expert management team, its highly competitive software businesses, and a history of strong returns, this stock could still outperform BlackBerry and [other tech stocks](#) for years to come.

Lightspeed POS: A top commerce platform

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock may not have a long history like Constellation or BlackBerry. Yet quarter after quarter, it does what it says it will do and consistently hits or exceeds the market's expectations.

While it is not yet profitable, Lightspeed has been investing heavily in growth. In fact, since the pandemic, revenue growth has accelerated from around 35% annually to 85% last year and potentially 100% this year.

The fact is, Lightspeed is much more than a point-of-sales business today. It operates a global omni-channel sales platform for retail, restaurant, and hospitality merchants. Omni-channel sales are essential in today's digital world. Consequently, Lightspeed should continue to have a large addressable market to capture for many years forward.

Descartes System: Steady market-leading returns

If you want to pay for a pricey stock like BlackBerry, you might as well buy one that is much higher on the quality scale. **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) is just that. It provides software and networking solutions for the global supply chain and logistics industries.

Its software is absolutely crucial across the logistics supply chain. It helps streamline customs procedures, shipping protocols/regulations, and provides route management that save shippers tons of money.

Consequently, it garners very consistent recurring revenues and nice +70% margins. Descartes has decent organic growth, but it has mostly supplemented growth by acquiring smaller logistics software businesses. It has a great management team, a strong balance sheet, and tailwinds like e-commerce pushing growth forward. As a result, this is [a top growth stock](#) I would buy over BlackBerry any day.

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2. Tech Stocks

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TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:BB (BlackBerry)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:BB (BlackBerry)
5. TSX:CSU (Constellation Software Inc.)
6. TSX:DSG (The Descartes Systems Group Inc)
7. TSX:LSPD (Lightspeed Commerce)

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