



Why BlackBerry (TSX:BB) Stock Is Surging Today

Description

What happened?

The shares of Canadian tech firm **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) are on fire today. At the time of writing, BB stock was trading at US\$10.33 per share with more than 8% gains in the U.S. premarket session Thursday morning. Its **TSX**-listed stock settled at \$12.21 per share on Wednesday with about a 1.6% rise for the day and is likely to open sharply higher today.

The company's better-than-expected second-quarter results are mainly driving its stock higher today. Let's take a closer look.

So what?

BlackBerry is a Waterloo-based enterprise software firm with a market cap of around \$6.9 billion. The company announced its results for the second quarter of the fiscal year 2022 yesterday after the market close. In the August quarter, its revenue fell by 34.2% YoY (year over year) to US\$175 million. Nonetheless, it was better than Street analysts' expectation of \$163.5 million.

Stronger sequential billings in BlackBerry's cybersecurity business segment [drove](#) its revenue higher. Similarly, its internet of things (IoT) segment performance was also better than expected due to strength in the design activities area. However, BB's ongoing patent sale negotiations-related restrictions continued to affect its licensing segment revenue, as the company warned earlier this year.

As a result, BlackBerry reported an adjusted net loss of US\$0.06 per share — still 14% better than Street's estimates.

Now what?

BlackBerry stock has been highly volatile in 2021 so far due to its popularity among Reddit traders. As

of yesterday's closing, its shares were up 45% year to date but were trading with 15% losses in September. Its better-than-expected latest quarterly results are likely to help the company regain investors' confidence and [drive its stock up](#).

The ongoing chip shortages are hurting the entire automotive industry right now, leading to low demand for BB's automotive segment offerings. Nonetheless, its consistent focus on developing advanced technologies for smart mobility could help it benefit from the upcoming mobility revolution. Also, the rising demand for its cybersecurity solutions looks promising. That's why Motley Fool investors may want to add BB stock to their portfolios for the long term now before it's too late.

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