



## This 1 Canadian Reddit Stock Has Been on a Wild Ride in 2021

### Description

Meme investors caused a stir in the stock market in 2021. The so-called Reddit traders pick a handful of companies to prop up their share prices. However, only one Canadian-based firm made it to their top 10 prospects that include **GameStop** and **AMC Entertainment**.

Despite management's insistence that **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) doesn't need support from the army of retail traders, the **TSX tech stock** is part of the meme discussion on Wall Street. That is why it has been a wild ride for the former smartphone maker and now cybersecurity company.

### Parabolic returns

BlackBerry caught the eyes of Reddit investors, but it didn't have the same parabolic returns as GameStop or AMC Entertainment. Still, the meme frenzy gave the Canadian tech stock new life. From a COVID-19 low of \$4.12 on March 17, 2020, the share price soared 363.6% to \$19.10 on June 8, 2021.

However, the rally did not sustain as it became a roller-coaster ride from there. BlackBerry tanked 36% to \$12.18 on August 16, 2020. As of September 20, 2021, you purchase the tech stock at \$12.09, good for a 43.2% year-to-date gain. Meanwhile, GameStop (+920.17%) and AMC (+1,800.47%) still outperform BlackBerry despite their struggling businesses.

### Not a meme stock

BlackBerry Executive Chairman and CEO John Chen told BNN Bloomberg last month, "The meme-stock arena is not a world I should spend too much time in." His focus is on the software company's [fundamentals](#) and nothing more. BlackBerry will not reach out to meme investors to fuel the stock or raise capital as it did with GameStop and AMC.

Like Chen, some market analysts believe BlackBerry isn't a meme stock. Its potential is more than the meme mania. The stock could even be an [attractive option](#) for wealth building. However, if you look at

the stock's performance, the total return in the last three years is only -8.94%.

## Growth catalysts

The \$6.85 billion has successfully transformed into an intelligent security software and services provider. Independent research firm Strategic Analytics announced in June 2021 that BlackBerry's QNX software is embedded in over 195 million vehicles, a 20% increase year over year.

Chen said, "BlackBerry continues to clearly demonstrate its leadership position in safety-critical embedded automotive software." He added that the vehicle count has increased for six consecutive years. Frost & Sullivan also named BlackBerry IVY as an industry-leading edge-to-cloud software platform for automakers and smart cities.

Furthermore, BlackBerry has several key partnerships and new product innovations that should drive growth. The company provides secure productivity and secure communications services to the Canadian government as well as critical event management.

Among BlackBerry's high-profile partners in the private sector are **Amazon.com** (through Amazon Web Services), **Microsoft**, and **IBM** Canada. In August 2021, the company announced the first-of-its-kind flood risk and clean water monitoring solution.

## Key market opportunities

In Q1 fiscal 2022 (quarter ended May 31, 2021), BlackBerry completed a reorganization by aligning the business around the two market opportunities – Internet-of-Things (IoT) and cyber security. The addressable market of US\$45 billion is enormous and BlackBerry's market share is only 1%, according to an industry observer.

While market analysts see a long runway for growth, BlackBerry's financial results must show vast improvement. Investors have been eagerly awaiting the Q2 fiscal 2022 results.

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