



## Should You Buy BlackBerry After Q2 Earnings?

### Description

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is a Waterloo-based company that provides intelligent security software and services to enterprises and governments around the world. The company grew into a hardware giant in the 21st century but was toppled by upstarts like the iPhone and other Android alternatives in the late 2000s and early 2010s. Since then, BlackBerry has shifted its focus to the software space. Today, I want to look at how the tech stock has performed in 2021. Moreover, we'll determine whether it's worth buying after its second-quarter earnings release. Let's jump in.

### How BlackBerry regained its form in 2021

Shares of BlackBerry have climbed 59% in 2021 as of close on September 23. The stock has soared 111% year over year. In January, I'd [discussed](#) why BlackBerry was one of my favourite equities to own for the year. Naturally, this was right before the social media-fuelled "meme stock" craze would lead to a rapid rise and retreat for the top Canadian tech stock.

The stock hit a 52-week high of \$36 in late January. However, it would slip back below the \$15/share mark by the first week of February.

Unfortunately, the "meme stock" craze ballooned BlackBerry's valuation, and it took until the spring for it to re-establish momentum. There was justifiable excitement coming into 2021, as it had just announced a collaboration with **Amazon** Web Services to develop the Intelligent Vehicle Platform (IVY). In July, I'd discussed why the company's foray into autonomous vehicle technology and its role in cybersecurity was reason enough to be [encouraged](#) when it came to its long-term prospects.

### Should investors be happy about its second-quarter results?

The company released its second-quarter fiscal 2022 results on September 22. Total revenue was reported at \$175 million — down from \$259 million in the prior year. Fortunately, BlackBerry's cyber security division was the bright spot in the quarter. It delivered revenue of \$120 million with a gross margin of 59% and ARR of \$364 million. The company's adjusted earnings also beat analyst

expectations.

On the business side, BlackBerry reported design wins with 24 of the world's leading 25 electric vehicle automakers. Better yet, Nobo Technologies selected BlackBerry QNX Neutrino as foundation for new Digital Cockpit Controller for Great Wall Motors' Haval G65 SUV. This company is the largest SUV vehicle producer in China.

BlackBerry discussed its outlook later in its earnings call. Management views the most recent quarter as the "low point." However, it will continue to battle obstacles in the third and fourth quarters of fiscal 2022. Overall, the full-year outlook has largely remained the same. This should encourage investors after a sharp dip in revenue this past quarter.

## BlackBerry: Is it a buy today?

Shares of BlackBerry shot up 10% on September 23. However, the stock has still dropped 4% in the month-over-month period. The company is on track for strong earnings growth, as it bolsters its footprint in promising sectors like autonomous vehicle software and cybersecurity. I'm still bullish on this [tech stock](#) for the long haul.

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**Date**

2025/09/06

**Date Created**

2021/09/25

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