



1 Fallen Tech Giant That Could Make a Comeback

Description

Stock market investors continue the shift or rush towards [safer assets](#) in the face of a global economic slowdown. Energy (-3.13%), the best-performing sector, had the most significant decline on April 25, 2022, although it remains on top (+36.76%) year to date.

The severely battered [technology sector](#) (+2.26%) advanced the most to start the week. **Converge Technology Solutions**, **Constellation Software**, **Lightspeed Commerce**, and **Kinaxis** led the advancers with gains of at least 4.4%. Meanwhile, sector leader **Shopify** didn't fare well and still trades at a deep discount.

However, a fallen tech giant could stage a comeback earlier than most [tech stocks](#). **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is a buying opportunity at \$7.73 per share. While the stock is down 34.6% year to date, the prospects for the business is bright.

Strong fundamentals and momentum

The \$4.45 billion company and erstwhile smartphone maker is focused on the intelligent security software and services it provides to enterprises and governments around the world. Two business segments, namely Internet-of-Things (IoT) and Cybersecurity, are the growth drivers.

Regarding BlackBerry's performance in Q4 fiscal 2022. John Chen was pleased with the company's progress. BlackBerry's executive Chairman and CEO said, "The IoT business recorded its first \$50m-plus revenue quarter since the start of the pandemic ... In addition to overcoming a number of industry-wide challenges, such as supply chain constraints and the war in Ukraine, the QNX business set another record for quarterly design-related revenue, demonstrating both strong fundamentals and momentum for the business."

In the quarter ended February 28, 2022, net income reached US\$144 million compared to the US\$315 net loss in Q4 fiscal 2021. For the full fiscal year 2022, BlackBerry reported US\$12 million in net income as against US\$1.1 billion in net loss.

Multiple milestones

For the IoT segment, BlackBerry QNX recorded 45 new design wins during the quarter. It won 28 in the General Embedded Market (GEM) and 17 in Auto. The first BlackBerry IVY proof-of-concept is now undergoing trial with PATEO, China's tier-one supplier. A Chinese electric vehicle (EV) will also integrate IVY into the digital cockpits of their cars.

On the Cybersecurity side, SE Labs gave BlackBerry the maximum AAA rating after BlackBerry Protect and BlackBerry Optics passed the Enterprise Advanced Security Test. The National Security Advisory Board (NSAB) also endorsed the BlackBerry SecuSUITE encrypted communication solution to the North Atlantic Treaty Organization.

The list of milestones is long and won't fit this page. Chen and the management team are excited about the prospects for the Cybersecurity business because of billings growth during the quarter. Because key components are in place, BlackBerry expects continued billings momentum in fiscal 2023. The BlackBerry IVY edge-to-cloud also secured several proof-of-concept trials.

Positive market conditions

BlackBerry leverages AI and machine learning to deliver innovative solutions to customers needing to strengthen cybersecurity, safety, and data privacy. Furthermore, the Waterloo-based company is a trusted name in endpoint security, endpoint management, encryption, and embedded systems.

Expect the list of prominent public and private clients to grow further. According to Chen, market conditions for cyber and security products are positive. The company expects the heightened level of cyber threats to sustain.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/08/16

Date Created

2022/04/28

Author

cliew

default watermark

default watermark