



1 Big Reason to Buy BlackBerry Stock on the Dip

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has started July on a strong note, as it has inched up by more than 6% in the first couple of sessions of the month to \$7.36 per share. Nonetheless, BB stock still trades with big 38% year-to-date losses after losing 25% of its value in the last quarter amid a [tech sector](#)-wide selloff.

In this article, I'll highlight a big reason that makes BlackBerry stock worth buying on the recent dip to hold for the long term. But first, let's take a closer look at its ongoing financial growth trends.

BlackBerry stock: Financial growth trends

While BlackBerry has expanded its presence in the IoT (internet of things) segment lately with its key focus on automotive technologies, enterprise cybersecurity solutions remains its core business. On June 23, the tech firm announced its quarter of the fiscal year 2023 (ended in May) financial results. During the quarter, BlackBerry's total IoT segment revenue [jumped](#) by 19% YoY (year over year) to US\$51 million, as it maintained the momentum of new design wins in the fast-growing automotive domain.

Similarly, the demand for its cybersecurity solutions is also improved, which helped it post a 6% YoY increase in its sales from the segment to US\$113 million. With this, BB registered US\$31 million in adjusted net loss for the May quarter — much narrower compared to analysts' expectation of a \$38.8 million loss, despite its ongoing sizable investment in the business.

One big reason to buy BB stock

Clearly, the cybersecurity business makes up a major portion of BlackBerry's total revenue right now. During the global pandemic phase, most businesses tried to build or improve their online presence, accelerating the demand for BlackBerry's enterprise cybersecurity solutions. In the May quarter, the Waterloo-based tech company continued to post decent sales growth for the cybersecurity segment, as the demand remains high amid rising online security threats and data theft incidents. However, this

is not the main reason why I expect its BB stock to yield outstanding returns in the long run. Instead, I see massive future growth potential in its machine learning and artificial intelligence-based tech solutions for the automotive industry.

BlackBerry's QNX operating system continues to rule the automotive software industry, as it's currently embedded in more than 215 vehicles across the globe. More importantly, its futuristic IVY platform could turn out to be a game changer, as the demand for electric and self-driving vehicles continues to increase amid the ongoing mobility revolution. IVY is a scalable, intelligent vehicle data platform that BlackBerry started developing in December 2020 in partnership with **Amazon** Web Services.

This data platform is capable of giving automakers access to in-vehicle sensor data in real time and utilizing it to provide better features and functionalities. As the automotive industry is going through significant changes, the demand for such connected vehicle data platforms is likely to skyrocket in the coming years, which could exponentially accelerate BlackBerry's financial growth in the long term.

Given that, a recent sharp drop in BB stock could be an opportunity for long-term investors to buy an amazing growth stock at a big bargain.

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Date

2025/08/23

Date Created

2022/07/06

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