



## BB Stock Rose 3% in November – Is it a Buy Today?

### Description

Believe it or not, **Blackberry Ltd.** ([TSX:BB](#)) stock is still around. And it's still trying to ramp up in two of the most promising areas of the tech industry – cybersecurity and machine-to-machine connectivity.

So, what happened in November, and is Blackberry stock a buy today?

### Marketing blitz as Blackberry aims to raise awareness with investors

As you know, Blackberry used to be the proud developer and manufacturer of the most popular hand-held phone. This was its business. It was a business that provided the company and its shareholders with great riches. Until the handheld phone business shifted, and Blackberry didn't. A misstep, followed by a transformation led to the creation of the Blackberry of today – focused on two industries that are experiencing strong secular growth tailwinds.

As it sits today, I think investors are skeptical of Blackberry. But beneath the misconceptions and skepticism, there's a really exciting story. In November, Blackberry's management was really active in telling this story. Conferences at some of the biggest banks and investment houses have given Blackberry a good venue to do this.

[Growth rates are rising](#) as Blackberry's promise is beginning to be realized. For example, in the automotive technology industry, revenue grew 23% in the first half of fiscal 2023. Also, Blackberry is guiding for a compound annual growth rate (CAGR) of 20% for the next five years.

### The momentum is building

So one of the more exciting industries that Blackberry is focusing on is the automotive technology industry. This industry is working on automating the car, and it's a fast-growing one. In fact, it's estimated that this global industry will grow from \$19 billion in 2021 to \$57 billion by 2025. This

technology is what's responsible for a lot of the new and amazing functions in our cars today. For example, sensors, driver-assistance systems, and safety systems. Ultimately, connected cars are the future.

It's important at this point to highlight the position that Blackberry has in this industry. Simply put, Blackberry's leadership in this global industry is leaps and bounds ahead. For example, Blackberry's software is in all 10 of the largest auto manufacturers. This means companies such as Volkswagen, Toyota, Honda, and General Motors. Also, Blackberry's software is in 24 of the 25 largest electric vehicle manufacturers.

This just goes to highlight Blackberry's presence and excellence in the auto connectivity business. In fact, in the first half of this year, Blackberry received more dollar design wins than ever. This business is being driven by the secular trend towards the digitization of the car. It's a powerful trend that is clearly only accelerating.

## BB stock remains stuck below \$7

November was a quiet month for Blackberry's stock. I mean, a 3% rise is really nothing to write home about. But this follows a disastrous performance in September and October. And I think it signals that Blackberry stock may have finally bottomed. As far as the company and the business go, the right things have been happening. This supports my idea that the stock has bottomed. It also supports the idea that Blackberry is a buy.

Blackberry's latest quarters are also an indication of good things ahead. The company has beat expectations in all of its last four quarters, which shows that sentiment is too negative. Also, the machine-to-machine connectivity (internet of things) segment is finally posting the strong results we always knew it could. For example, in Blackberry's latest quarter, revenue in this segment increased 28%. Right now, this segment accounts for 30% of total revenue. Moreover, the [cybersecurity segment is seeing momentum in its pipeline](#).

In closing, BB stock on the TSX is supported by low debt levels and a business that's finally gaining momentum. I think that November's paltry 3% gain is just a little glimpse of what's to come in future months.

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