



1 Canadian AI Stock That Is Too Cheap to Ignore

Description

We live in a world of advanced technology where machine learning and artificial intelligence (AI) is changing the way we live, work, and socialize with others. Clearly, the demand for such technologies is expected to skyrocket in the coming years. This is one of the key reasons why many companies developing AI-based technological solutions for various industries got investors' attention in recent years.

However, most [Canadian AI stocks](#) became a victim of the tech meltdown in 2022, which was mainly driven by macroeconomic factors like high inflation, rapidly rising interest rates, and growing geopolitical tensions. But does that mean the era of AI is over before it even started?

As you can already easily guess, the answer to this question is a clear no, as the recent tech sector-wide crash isn't likely to affect the demand for AI-based tech solutions. Given that, the recent declines could be seen as a big opportunity for long-term investors to buy some fundamentally strong AI stocks at a big bargain.

In this article, I'll highlight one of the best Canadian AI stocks that I find too cheap to ignore now.

My top Canadian AI stock recommendation

BlackBerry ([TSX:BB](#)) could be one of the best AI stocks in Canada to consider, which I find [undervalued](#) right now. This Waterloo-based software firm has a [market cap](#) of \$2.7 billion after it has lost more than 60% of its value in 2022 to trade at \$4.69 per share — its lowest price level since April 2020. By comparison, the **TSX Composite Index** has slipped by 8.8% on a year-to-date basis.

Based on its fiscal year 2022 financial figures, nearly 66% of its revenues came from the cybersecurity software segment. During the same fiscal year, the IoT (Internet of Things) segment accounted for nearly 25% of its total revenues.

Why this AI stock is a steal at this price

BB stock has been in the red territory, just like most other [tech stocks](#), for the most part of the year. In fact, it has seen more than 28% value erosion within December so far. Earlier this week, BlackBerry reported its November quarter results, in which its total revenue [fell](#) by 8.2% YoY (year over year) to US\$169 million, and the company reported an adjusted net loss of US\$30 million. Although the tech company beat both the top- and bottom-line estimates set by Bay Street, a 17% YoY decline in its cybersecurity segment revenue, which is also the largest revenue source for the company at the moment, seemingly hurt investors' sentiments.

On the positive side, its IoT segment revenue jumped by 19% from a year ago. It's important to note that BB's IoT segment includes QNX operating system, which is extremely popular among global automakers, as they already use it in their vehicles. To take its presence in the automotive industry to the next level, BlackBerry has been developing advanced AI and machine learning-based integrated automated driving solutions, including its intelligent vehicle data platform IVY.

The demand for such an AI-driven platform is likely to grow at an exponential rate in the coming years, which should help its financials massively improve in the long term. Given this positive outlook, you can expect BB stock to stage a big rally in the coming years once the macroeconomic concerns start subsiding. That's why you may not want to miss buying this amazing Canadian AI stock at such a huge discount right now.

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