



Here's My Top TSX Stock for 2023 and Beyond

Description

After consistently rising in the previous three years, the **TSX Composite Index** has seen a sharp correction in 2022. As 2023 is about to begin, the Canadian market benchmark is still down by nearly 8%, and the chances are that it will end the ongoing year in the red territory. Macroeconomic factors, including high inflation, rapidly rising interest rates, and growing geopolitical tensions, have kept investors on their toes lately. These are some of the key factors why TSX [tech stocks](#) have also dived deeply, making some of them look highly [undervalued](#).

In this article, I'll talk about one such beaten-down TSX stock you can consider buying now for 2023 and beyond.

My top TSX stock for 2023 and beyond

Stock investing could be a very risky business if you attempt to multiply your money in a short period of time. However, picking the right stocks and holding them for years can significantly minimize risks to your portfolio and let you earn solid returns on investments. That's why I always recommend that TSX investors hold stocks with a strong [fundamental](#) outlook for at least five years or more.

Speaking of a strong long-term fundamental outlook, **BlackBerry** ([TSX:BB](#)) could be a great TSX stock to consider now. This Waterloo-headquartered enterprise software company has a [market cap](#) of \$3 billion, as its stock trades at \$5.10 per share after losing nearly 57% of its value in 2022.

Recent financial growth trends

BlackBerry [reported](#) its November quarter financial results on December 20. During the quarter, its total revenue fell 8.2% YoY (year over year) to US\$169 million but exceeded analysts' estimates. While the sales of its cybersecurity segment fell by 17% from a year ago, its IoT (Internet of Things) segment posted a strong 19% YoY increase in revenues. The company registered an adjusted net loss of US\$30 million for the November quarter, which was lower than analysts' expectation of a US\$40.7 million loss. With this, BlackBerry continued to beat the Street's estimates for its bottom line for the

sixth quarter in a row.

But here's what makes this TSX stock worth buying now

The ongoing macroeconomic uncertainties are one of the main reasons driving BlackBerry's cybersecurity software sales down lately. But these uncertainties could be temporary, and I expect this cybersecurity segment to perform really well in the coming years with a growing number of cybercrime and data theft incidents.

More importantly, despite economic challenges, BB's IoT segment is witnessing strong positive growth amid the growing popularity of its QNX operating system, with more design wins globally. In the coming years, its upcoming artificial intelligence and machine learning-driven vehicle data platform IVY should give a big boost to its IoT segment growth. The demand for such data platforms is likely to skyrocket in the next decade, as global automakers are racing to develop advanced autonomous vehicles which are safe to use. That's why I wouldn't be surprised if, in the long run, the IoT segment becomes the biggest source of revenue for BlackBerry by exceeding the revenue contribution of its cybersecurity segment.

Based on its future growth potential, I find BB stock highly undervalued when it's down well more than 50% on a year-to-date basis. Given that, you may consider buying this amazing TSX tech stock now before it's too late.

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