



Could the Passport Return BlackBerry Ltd. to Profitability?

Description

When CEO John Chen was brought in to try to save **BlackBerry Ltd.** ([TSX:BB](#))(NASDAQ:BBRY), no one really knew what was going to happen. Could this once-great company turn itself around and return to its former glory? Or would it continue to fail until it was nothing?

Chen has done a really good job of turning the company around. I'm not sitting here saying that all is good for BlackBerry, because it's not. It still has a long way to go before it returns to its former glory. But this company is changing for the better.

The Passport and profits

A good indicator of that is the fact that its Passport device is completely sold out. The company sold all of its 200,000 devices only days after announcing that the phone existed. It launched in only a few markets, ensuring that its supply was lower than the demand.

And this has resulted in what's known as a grey market. A grey market is like a black market, only instead of drugs and guns being sold, it's legal products being sold in uncontrolled environments. A recent **eBay** auction had a BlackBerry Passport selling for \$2,048.56. That is many times what the phone actually sells for.

This leads me to believe that there is greater demand for the Passport than originally anticipated. Over the next couple of months, leading into the holiday season, I believe this demand will increase significantly. And Chen appears to have a good read on what that demand is, allowing him to order enough devices and continue to sell out.

Chen said that all BlackBerry needed to do was sell 10 million devices for its hardware division to be profitable. With demand for the Passport as frenzied as it is, I believe the company will reach that in the next couple of quarters. After that, it will begin generating even more profits.

Should you buy?

I would suggest buying. If demand for the Passport is as great as I believe it is, the next earnings call is

going to be a very solid success. But I would buy with an understanding that this is just one success for the company. Its Passport is a solid device and many people have reported loving it, but can it create another successful device? Was this a fluke or is this the new BlackBerry norm?

It's exciting to see BlackBerry turning around. I can remember when I got my first one and seeing it plummet in value has always been a bit disappointing. Chen was brought in to turn the company around and so far, he has been doing a good job. If the company can continue to sell out of its Passport and create new devices that generate more demand, I believe BlackBerry will return to glory. It may not be the glory it once was, but it will be worth quite a bit more than its present value. That much I believe.

All of that makes me think that BlackBerry could be one of the top stocks of 2015. But here's one stock that you'll definitely want to look at.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:BBY (Best Buy Co., Inc.)

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