It’s a Big Week for BlackBerry Ltd. Will it Be a Big 2015, Too?

Description

BlackBerry Ltd. (TSX: BB)(NASDAQ: BBRY) CEO John Chen is gearing up for what is likely to be a big week for the struggling smartphone maker, and possibly a big year 2015 too.

The company will be launching its latest device – the Classic – on Wednesday, December 17, 2014. On Friday, December 19, 2014 the company will report its quarterly earnings.

What can investors expect from BlackBerry this week? And more importantly, how will this impact the company’s balance sheet and investors in 2015?

The Classic

Well, if we take the word of tech geeks who are currently using and playing around with the new device, the Classic is BlackBerry’s answer to many of its troubles. This new device is created to be the perfect syndication of everything the company has done right. It’s an amalgamation of the BlackBerry Bold’s (my personal favourite) much-loved keyboard feature and the operating system of the BB 10.3.1 that supports a superior overall product. Reviewers claim this device is finally everything BlackBerry loyalists had been screaming for.

Even if that’s true, Mr. Chen still has an uphill road ahead. His goal is to sell 10 million devices in a consumer market that considers those who own a BlackBerry “passé.” It will be interesting to see how sales of the Classic unfold, especially given that its Passport sales have surpassed expectations.

Quarterly earnings

Mr. Chen has mentioned over and over again that the company is only a quarter or two away from being profitable again. That would be sometime in 2015, which is why BlackBerry loyalists are bullish on the company and investors can now see a ray of hope at the end of this particularly long and brutal tunnel.

The company is also losing a lot less cash. Any pleasant surprises on Friday could see the stock (and its investors) jumping for joy. This will be just one small achievement for BlackBerry in the short run. Additionally, Ottawa is supporting BlackBerry's growth. The Export Development Canada is lending British telecom giant Vodafone Group PLC US$850 million and a huge part of this will be used by Vodafone to purchase BlackBerry handsets and services.

2015 – a comeback for BlackBerry?

No one can deny that the BlackBerry story is a remarkable one of turnaround, great leadership, and changing times. The company that was once a leader in its industry, far ahead of its competitors, almost saw itself irradiated by competition. Then, just over a year ago, under new CEO Mr. Chen, the Canadian company slowly clawed its way back up, and continues to do so. The stock has surged almost 40% since the beginning of the year. Only time will tell where 2015 will take it.

For now, I'm optimistic about the company and the romantic in me believes 2015 will indeed be a turnaround for BlackBerry. With new devices, software and change in direction for the company.

CATEGORY

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1. TSX:BB (BlackBerry)

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