



BlackBerry Ltd. Reports; Is Now the Time to Buy?

Description

BlackBerry Ltd. ([TSX: BB](#))(NASDAQ: BBRY) has done it. After a long time of struggle, BlackBerry today announced that it had reached profitability. On its earnings call, the company announced that it had made a \$0.01 EPS.

And yet, BlackBerry opened with an awful drop. At the time of this writing, shares are down over 7%. The reason for that is because the company had revenue of \$793 million, which is down 34% from a year earlier and also below the \$932 million that analysts had been initially expecting.

A good sign in the report was the reveal that the company sold 2 million devices, and that doesn't even take into consideration the newly released BlackBerry Classic. CEO John Chen has said in the past that if the company can sell 10 million devices in a year, the hardware division is profitable, so 2 million in a quarter is getting very close to that number.

Why you should buy now

When investors are behaving irrationally, it's a good time to buy. Yes, revenue is down, but that doesn't mean the company is failing. The company has the exact same amount of cash it had last quarter, it now has a positive operating cash flow, and the firm is doing better. So shares dropping 7%, in my opinion, is just a bad reaction.

But here's the other thing. BlackBerry is making really solid moves. Its recent partnership with **Samsung** puts the company in a really solid position. Samsung is one of the biggest hardware providers in the world and the partnership will give BlackBerry quite a bit of momentum.

There's also the hard push into the Internet of Things. **Ford Motor Co.** ([NYSE: F](#)) is now using QNX, the operating system owned by BlackBerry, for its cars. Other companies will start hopping on board to use the secure OS for their Internet-connected devices. If this turns into a market as big as I believe it will be — some predict it could be trillions of dollars — then BlackBerry is in for a very good 2015.

At the end of the day, BlackBerry had a good quarter. While revenue was down, it crossed that psychological barrier. Many on Wall Street have said BlackBerry would never be profitable again. But it

was profitable (and on reduced revenue). As the company increases that revenue, I only expect better and better things. Because of that, I think you should absolutely buy stock in BlackBerry, especially with the fear that's going on right now.

I might even say that BlackBerry could be one of the best companies in 2015. If you want to know another company that is definitely going to rock in 2015, check out the report below.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:F (Ford Motor Company)
3. TSX:BB (BlackBerry)

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Author

jaycodon

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