



3 Reasons Why 2015 Could Be a Great Year for BlackBerry Ltd. Shareholders

Description

Last week, **BlackBerry Ltd.** ([TSX: BB](#))(Nasdaq: BBRY) reached a milestone that some thought was forever out of reach: it turned a profit. The result is a major testament to the progress of CEO John Chen. When he took over late last year, the question was whether or not BlackBerry would survive at all. Now, the conversation is very different.

That being said, BlackBerry's quarterly revenue of \$793 million was well short of expectations. And as a result, the company's stock price fell by as much as 9.5%.

But now, with 2015 on the horizon, the future looks very bright for the company. And if Mr. Chen is able to deliver, the stock could see big gains. Below are three reasons why this looks increasingly likely.

1. Better financial health

A year ago, when Mr. Chen took over, the company was burning cash left and right. But he has made numerous moves to stem the outflow: assets were sold, phone production was outsourced to Foxconn, and staff was laid off. In the meantime, the company pursued a much more focused strategy, one that relies much more on corporate customers and software revenues.

Last quarter, we saw the fruits of Mr. Chen's labour. Even though revenue was down by a third compared to last year, BlackBerry posted positive cash flow of \$43 million. As a result, the company's financial health is now sound.

This brings about other benefits. BlackBerry can now afford to think more long-term, recruiting new talent is now easier, and it may be easier to sign on new customers, now that it's clear the company will be around (and providing product upgrades) for a long time.

2. Customer wins

Although the revenue number is deteriorating, BlackBerry is demonstrating a lot of progress toward winning new customers. During the earnings call, Mr. Chen said that BES 12 has won over 2 million licenses from competitors.

Another customer win is worth highlighting. Recently it was confirmed that **Ford Motor Co.** ([NYSE: F](#)) will be using BlackBerry's QNX operating system for its in-car entertainment and mapping system. This could easily propel BlackBerry in the highly competitive Internet of Things marketplace.

3. The right partnerships

BlackBerry has also developed some partnerships worth mentioning.

When BlackBerry launched BES 12, Mr. Chen also announced a partnership with **Samsung** related to mobile security on Android devices. This partnership gives BES 12 much more legitimacy, and should help the company win even more clients. Promisingly, Mr. Chen said that this partnership was just the "tip of the iceberg".

Also worth mentioning is BlackBerry's relationship with **Boeing**. At this point, the nature of that relationship is still unclear. But Boeing is developing an ultra-secure mobile phone called Boeing Black. Security is of course BlackBerry's strength. So this is something worth watching. If it works out, then it could be very beneficial for BlackBerry, its brand, and its bottom line.

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