



## Is BlackBerry Ltd. (TSX:BB) Stock a Good Turnaround Bet for 2019?

### Description

It's almost clear now that 2018 didn't prove a good year for investors in **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock. Its shares are down 26% to date, hurt by a weakening environment for growth stocks and in line with the general trend of risk aversion.

Betting on [BlackBerry's revival](#) was also a tough call. After all, it's the company that failed miserably in its bid to become a player in the smartphone business after the company couldn't transform quickly to tackle the threat that came from much larger players, such as **Apple**.

Investors lost their shirts investing in BB in 2008 when its stock was trading around \$150 a share and then took a sudden plunge and never recovered. Since then, BlackBerry is trying to find its place in a market that has changed drastically.

### BlackBerry stock's transformation

The linchpin of the Ontario, Waterloo-based company's turnaround strategy has been software services, internet security, and its push to win business in the driverless car market. It began offering a range of different product lines, such as systems to manage an entire company's stable of mobile phones, for the finance and automobile sectors and various government agencies.

This year, the company won many big deals that showed the strength of its software solution business, including winning licence deals for its QNX software and Certicom security technology to big names, such as **Jaguar Land Rover**, and a deal to provide security capabilities to mobile products produced by **Microsoft**, its once-bitter rival in the smartphone business.

News about its partnership with **Baidu** for the autonomous car project development and the release of BlackBerry's Jarvis, a tool for car software engineers and developers, pushed the stock price to above \$18 a share at one point.

[BB shares rose the most in a year](#) on Sept. 28 when the company reported earnings that beat analysts' estimates and said it would expand into new markets, including health care.

For contrarian investors, BlackBerry could prove a great bet in 2019, given the momentum of its deal-making and the pace of its transformation. Internet security and the driverless car market are the two growth areas that will attract a lot of investment, and it seems BB has positioned itself nicely to benefit from these new growth drivers.

Trading at \$10.35 a share at the time of writing, BB stock is massively undervalued and a good turnaround bet for 2019.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

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