



This Canadian Stock Looks Like the Next Apple (NASDAQ:AAPL)

Description

Apple Inc. ([NASDAQ:AAPL](#)) is one of the most valuable companies in the world, with a valuation that exceeds \$1 trillion. Due to the massive payoff, analysts and investors are constantly scrambling to find the next Apple.

There is one tech company that looks to be emulating Apple's success. You may scoff at this stock, but upon further analysis, I suspect you might start to believe in **BlackBerry Ltd** ([TSX:BB](#))([NYSE:BB](#)).

It's not what you think

Listing BlackBerry as the next Apple seems ridiculous, but if you stick with me, I promise you'll start to see the parallels.

The first thing to know is that the BlackBerry today bears very little resemblance to the BlackBerry of yesterday.

In the past, BlackBerry produced hardware, primarily in the form of cellphones. The company had early success and was once regarded as a leader in the industry. After peaking at 20% in 2009, however, the company's smartphone market share fell to less than 1%.

Over the ensuing years, BlackBerry struggled to make a profit. In 2016, its CEO finally admitted that devices won't be "the future of any company." BlackBerry shut down its hardware segment for good shortly after — only then did the current BlackBerry start to emerge.

Today, BlackBerry is purely a software and services company, operating in the fields of autonomous vehicles, big data, and healthcare analytics.

To accelerate its transition, BlackBerry recently purchased Cylance for \$1.4 billion, greatly boosting its artificial intelligence and cybersecurity capabilities.

Clearly, its days as a hardware manufacturer are long gone.

Last quarter, software and services revenue grew to \$250 million. Earnings hit \$0.08 per share compared to a \$0.06 per share loss the year before.

This is actually the Apple model

You might be asking what BlackBerry's transition has to do with Apple. While Apple is well known for its MacBooks and iPhones, analysts agree that its future relies on software and services. Sound familiar?

In March, Apple committed to this future by releasing several new offerings. These additional revenue streams include a premium news subscription, video streaming platform, gaming ecosystem, and payment processing tools. These should augment existing services revenues from apps, movies, music, cloud storage, and more.

Services are already big business for Apple. For the past three years straight, services have been the company's second-largest revenue source, behind iPhone sales. That means that services revenues have surpassed sales of both Macs and iPads.

In the end, Apple and BlackBerry are pursuing the same future: software and services.

BlackBerry's model is so similar that I've speculated that Apple could eventually [acquire](#) the company. Either way, BlackBerry is a dark-horse pick to become the next tech giant.

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Author

rvanzo

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