



ALERT: TSX's Best Hold Forever Stock

Description

BlackBerry ([TSX:BB](#)) is an iconic [Canadian technology company](#) formerly known as Research In Motion Limited. The company was incorporated in 1984 and is headquartered in the technology hub of Canada: Waterloo, Ontario.

The company provides enterprise software and services globally and offers BlackBerry Enterprise Mobility Suite, which combines and integrates mobile security; BlackBerry AtHoc, a networked crisis communications solution; SecuSUITE for Government, a voice encryption software solution; and BBM Enterprise, an enterprise-grade instant messaging solution, as well as BlackBerry Spark Communication services.

The company also provides Cylance PROTECT, an endpoint threat prevention solution; Cylance OPTICS, an endpoint detection and response solution; BlackBerry QNX real-time services; BlackBerry Jarvis, a cloud-based binary static application security testing platform; and BlackBerry Certicom that offers device security, anti-counterfeiting, and product authentication.

Each segment is worth significantly more than what BlackBerry carries it on the balance sheet. BlackBerry is worth significantly more than the market price which values the company at a price to book ratio of just 1.19.

The company has a huge patent portfolio that could be worth several billion dollars to the largest technology companies in the world.

This innovative company also offers Paratek, which provides adaptive radio frequency antenna tuning technology; and BlackBerry Radar, an asset tracking solution. John Chen, BlackBerry's phenomenal CEO, is focusing on developing the BlackBerry 10 platform, and delivering BlackBerry productivity applications to the Android smartphone.

The company recently reported [large one-time losses](#) resulting in a decline in net income, an excessively high price to earnings ratio of 115.77 and market capitalization of 3.98 billion. Debt is very sparingly used at BlackBerry, as evidenced by a debt to equity ratio of just 0.3.

The company has suffered from an inability to keep up with technological changes leading to depressed performance metrics with an operating margin of (12.86)% and a return on equity of (1.21)%.

BlackBerry is well known for productivity innovations, and the company delivers the most secure endpoint management and communications solutions in the world.

With these core strengths, the company's massive portfolio of products and services is focused on serving enterprise customers, particularly governments and regulated industries.

BlackBerry leverages many elements of the company's extensive patent portfolio to extend best-in-class security and reliability to solutions for the Enterprise of Things. The company intends to continue to increase product and service offerings through mergers and strategic investments.

Total company revenue in Q3 2019 was \$261 million, or 22% year-over-year growth. High margin software and services revenue was \$256 million, or 30% year-over-year growth.

BlackBerry estimates 2020 revenue growth of 23-25%, driven by a double-digit percentage increase in billings and the company is expected to be profitable in 2020.

BlackBerry is a misunderstood company with a long-term focus. Canada's most famous value investors, Prem Watsa and Francis Chou, have loaded up on this stock. It was estimated that Prem Watsa's average price per BlackBerry share is \$17 and Francis Chou's average price is \$7.

The company has significant cash resources to engage in aggressive share buybacks and is well positioned to take advantage of the rise in artificial intelligence. The long-term prospects of this company in the artificial intelligence industry is huge.

CATEGORY

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