



Is BlackBerry (TSX:BB) Stock About to Make an Incredible Comeback?

Description

For all intents and purposes, Canada's second-most famous tech company **BlackBerry Inc.** ([TSX:BB](#)) ([NYSE:BB](#)) is an enterprise software giant. The company stopped making smartphones ages ago. Now, a new player wants to license the BlackBerry brand to resuscitate the smartphone legacy. What does that mean for BlackBerry stock and its shareholders?

Here's a closer look.

Brand revival

BlackBerry fans know that the Waterloo-based firm stopped making smartphones in 2016. Instead, the team licensed the brand out to original equipment manufacturer TCL. That partnership came to an end last month.

However, *Wired* magazine is reporting that a new company is adopting the license from TCL. Austin, Texas-based Onward Mobility intends to work with the brand to create a new 5G Android BlackBerry that could be released as early as 2021.

Experts believe this new phone could provide an alternative to users whose needs aren't being met by the standard iOS and Android phones on the market. Some users prefer a physical keyboard, enterprise-grade security and a dedicated BlackBerry Messenger platform.

Even if the new phone can carve out a tiny niche in the global smartphone market, the rewards could be worth billions. 312.3 million smartphone units were shipped in the first quarter of 2019 alone. Selling a few million phones a year shouldn't be a tall order for a brand that most people are already familiar with.

In other words, BlackBerry could be on the verge of a major comeback. That could ignite BlackBerry stock. However, even if this new venture fails, investors have plenty to look forward to.

BlackBerry stock valuation

BlackBerry's core operations, in my view, are tragically undervalued. The company is sitting on a goldmine of data and technical patents that would be incredibly valuable to any technology firm. Also, the company can always find new services to sell to its existing network of enterprise clients — such as their [recent foray into cybersecurity](#).

There's also plenty of opportunity to deploy the company's proprietary automotive operating systems and middleware. Each of these is a multi-billion dollar opportunity and it won't take much to trigger BlackBerry stock's rapid ascension.

Value investors, such as Prem Watsa, have been betting on BlackBerry stock for years. So far, the stock seems nowhere near a rebound. The stock has been range bound, trading between \$4 and \$10 for the past five years. In fact, it's lost a third of its value over the past year alone. Perhaps this new smartphone could be the catalyst BlackBerry stock needs.

Bottom line

A new Texas-based company has licensed the BlackBerry brand and could be on the verge of releasing a branded 5G smartphone by 2021.

For BlackBerry stock investors, this is a win-win. Even if Onward Mobility is unsuccessful in launching a true game-changer, the core corporation is undervalued. If, however, the new smartphone is a success, royalties from the licensing deal will boost BlackBerry's earnings tremendously.

CATEGORY

1. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing

Date

2025/09/09

Date Created

2020/09/11

Author

vraisinghani

default watermark

default watermark