



## BlackBerry (TSX:BB) Stock Price: Could Shares Double in October?

### Description

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock is at a crossroads. In one future, shares could rise significantly. In the other, the stock continues its multi-year decline.

There's actually reason to believe this stock will rise in the near future. Several catalysts are lining up right now.

### The timing is right

Software is king. It has [superior economics](#) than hardware, and can scale thousands of times faster. If you want to make a ton of money quickly, software stocks should top your buy list.

But what does software have to do with BlackBerry? Doesn't the company make old-fashioned smartphones?

Many are surprised to learn that BlackBerry no longer makes smartphones. The company just finalized a three-year turnaround completely focused on cybersecurity software. When it comes to software, this market is especially lucrative.

Every day, the world adds millions of new endpoints to the internet. New phones, smart watches, computers, tablets, washing machines, vehicles, tracking devices, and more. All of these products are vulnerable to hacking.

Hacking can be annoying and expensive to remedy, but it can also be deadly. Consider a connected car, like one with automated lane assist. If this software were hijacked, the results could be catastrophic. The downside grows even further with self-driving vehicles.

Manufacturers and consumers already shell out hundreds of billions of dollars per year to protect endpoints, but the market is expected to grow consistently over the next decade beyond. BlackBerry is in position to capitalize.

This isn't an early-stage play. The company already has amazing tech, like its Cylance division, which uses AI to detect threats *before* they're executed. Its QNX platform uses Cylance to protect autonomous vehicles. That platform is already embedded in nearly 200 million vehicles worldwide.

## Bet on BlackBerry

Cybersecurity software stocks have already taken off. Just look at **CrowdStrike Holdings**, which trades at 44 times earnings. The industry will grow rapidly for years to come, and the market knows it.

BlackBerry is a notable exception. Shares 2.7 times sales, roughly *10 times less* than the industry overall. A simple reversion to the industry mean would result in big upside.

What's preventing BlackBerry stock from taking off? Much it has to do with perception. Many people still classify this stock as a hardware manufacturer. That misconception prevents the valuation multiple from matching its peers.

The other issue is that the company just finalized its turnaround. For years, revenue was in secular decline. The market is clearly in "prove it" mode, waiting for organic growth to return before pumping the stock.

It appears that milestone has just been reached. Last week, the stock popped 10% after Q2 results came in surprisingly bullish. Total revenue grew 2%, with recurring software sales comprising 90% of sales.

"We are pleased to report sequential and year-over-year revenue growth this quarter, exceeding expectations," [said](#) BlackBerry CEO John Chen. "Continued QNX design wins and significant cybersecurity partnerships position the business strongly for the future."

The market was waiting for a signal to buy BlackBerry stock. October could be the exciting month investors were waiting for.

### CATEGORY

1. Investing
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rvanzo

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