



Stock Deep Dive: BlackBerry (TSX:BB)

Description

Canadian investors need no introduction into **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). Most people will know that the company once led the world as the most innovative smartphone company. However, its business began to unravel, and one bad decision after another led to **Apple** eventually surpassing it to become the consumer giant it is today. In this article, I will be discussing the current state of BlackBerry and whether I think it is worth an investment.

What does the company do now?

Currently, BlackBerry's mission is to create a connected future that consumers can trust. This means that the company has shifted from its goal of being a leader in the smartphone industry and into a business that secures online connections. It will be very interesting to see how BlackBerry grows into an Internet of Things competitor.

According to its website, BlackBerry secures more than 500 million endpoints, including 175 million cars. Its customer list is very impressive, as it features all the G7 governments and 18 governments within the G20.

With more than 39,000 patents, the company believes that it is well positioned to secure about 96% of all cybersecurity threats in the current landscape, including all endpoints. It is currently continuing to invest in developing innovative products by funneling 24% of its revenue into research and development.

Is it worth an investment?

BlackBerry's stock history has not been the most illustrious. The company went from one of the more promising stocks in the market to becoming the biggest company in Canada. Since then, its stock has plummeted to new low after new low. As of this writing, BlackBerry stock is more than 95% down from its all-time high.

However, I have said previously that [the turnaround potential](#) in this company is quite enticing. The company's CEO John Chen is highly respected. He is known for leading Sybase during its turnaround and eventual acquisition by **SAP**.

Its [latest earnings report](#), in September, showed promising numbers. The company reported non-GAAP revenue of \$266 million for Q2 2021. This compares to a non-GAAP revenue of \$261 million for the same quarter, the year prior. The company also reported that 90% of its software product revenue to be recurring.

Finally, BlackBerry included a list of achievements from the latest quarter. First, it was able to co-develop the autonomous driving domain controller for **Xpeng's** new high-performance electric vehicle.

In addition, BlackBerry announced that new customers using its BlackBerry Spark suites included **Rolls Royce**, the U.S. Air Force, the U.K. Ministry of Defence, and the Royal Canadian Mint. This speaks to the confidence of luxury and governmental organizations in BlackBerry's product offerings.

I think it is still a bit early to open a position in the company. Personally, I would rather find excellent businesses that have a greater change of being a market leader. However, BlackBerry does seem like it is on the right track. Assuming this progress holds over the next couple years, we really could see an excellent turnaround story.

Foolish takeaway

BlackBerry is no longer a smartphone company. It now works on securing endpoints for a variety of different industries. Although I would not start a position in the company just yet, BlackBerry has shown continued progress and could turn out to be an excellent turnaround story.

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