



BlackBerry (TSX:BB) Stock: Turnaround Story of the DECADE!

Description

Few Canadian companies have staged bigger turnarounds than **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). After failing in the smartphone wars, the company re-invented itself as a software maker, seeing major success under CEO John Chen. Not only has the company seen significant product success, it has begun to deliver on earnings, too. So far this year, BB stock is up 24%. If Chen can keep up the momentum, it may have further still to climb.

A cell phone company no more

The first thing you need to know about BlackBerry is that it's no longer a cell phone company. While the company still [licenses some of its smartphone patents](#), it's largely in the enterprise software business now.

And it has had significant success in that area. Some highlights include:

- Getting its QNX software on 175 million cars
- Major deals with companies like **Canadian Pacific Railway**
- Major government contracts for Spark Suite, including with government departments like the U.S. Air Force and the UK Ministry of Defence
- Secusmart adopted by 17 governments worldwide

While these are undeniable product successes, until now, they haven't translated into major financial success. But we're beginning to see some progress on that front too. In its most recent quarter, BB delivered \$0.11 in EPS, beating on both earnings and revenue. Investors received the news warmly, sending the stock soaring. However, there was an even bigger recent catalyst that arguably impacted the stock more.

A deal with Amazon

Recently, it was announced that BlackBerry would be collaborating with **Amazon.com** ([NASDAQ:AMZN](#))

) on autonomous vehicles. In the partnership, BB and [Amazon Web Services](#) will be working together to develop *BlackBerry IVY*, a data platform for autonomous vehicles. The joint venture will partner with auto makers, seeking to have them use BlackBerry IVY in their cars. The benefit would be real-time data analytics on how their vehicles performed on the road.

This is an extremely promising development. Self-driving vehicles are perceived to be the “next big thing” in tech. If they really take off, then BlackBerry IVY could profit handsomely from the trend. Lucrative contracts with major automakers could increase BlackBerry’s revenue considerably. As of right now, self-driving cars are still a rarity. But the tech is already there, and many automakers are moving full steam ahead. The fact that BlackBerry is partnering with Amazon on its self-driving car tech is great news, as it will give the company access to Amazon’s many U.S. business contacts.

Foolish takeaway

BlackBerry stock has been perhaps the biggest Canadian turnaround story of the past 10 years. Going from a failing smartphone company to a successful software company, it has turned its fortunes around. This year, BlackBerry stock has handily out-performed the **TSX**. If more earnings beats come in the future and the Amazon partnership pays off, expect future gains for this stock.

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