



Should You Buy BlackBerry (TSX:BB) for a Shot at Big Gains in 2021?

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has been made [sexy](#) again thanks to its multi-year collaboration with **Amazon.com** Web Services (AWS) on its vehicle data platform called IVY. While the ambitious project's existence probably won't pave the way for meaningful multiple expansion in 2021, I think that many medium-term catalysts can.

Things could be looking up for BlackBerry in 2021

With COVID-19 headwinds positioned to fade alongside this pandemic, BlackBerry could be in a spot to surge, as its QNX business looks to recover further, all while CEO John Chen continues to prove to investors that his firm can sustain meaningful organic growth on the enterprise software services (ESS) front.

Moreover, BlackBerry isn't just throwing everything at the wall to see what sticks. Cylance and BlackBerry's Spark suite could help the company make a huge splash in the new year, as many firms, which have embraced the work-from-anywhere (WFA) theme, look to further invest in security and endpoint management capabilities.

While it's tough to evaluate a firm like BlackBerry, given all the moving parts that have been further complicated by acquisitions, I think the stock is worth standing by, given it provides investors with a front-row seat to some of the most lucrative areas of the tech scene and at a ridiculously cheap multiple.

The epitome of deep value

BlackBerry is one of few cybersecurity and Internet-of-Things (IoT) plays that trades for less than three times its book value. Clearly, the perennial underperformer gets a bad rap for its past performance. Even the most patient of investors have likely lost money in the name. While it could take many more years for the firm's transformative efforts to finally pay off in the form of a surging stock, I think the wait will be worthwhile, especially with a behemoth like Amazon shining the spotlight on the name.

BlackBerry faces stiff competition, but with a stellar manager like John Chen at the helm, I think the company can carve out a spot for itself within tech sub-industries that are poised for [profound secular trends](#). Amazon's willingness to collaborate with BlackBerry is a testament to its underrated and underappreciated innovative capabilities.

Moving forward, updates on project IVY will be something for investors to look forward to, as will growth in Cylance and Spark, which may be heavily discounted by investors who demand to see some sustainable organic growth. I think it'll be a few years before BlackBerry can be the sexy stock that it used to be, but I'm certainly not against loading up on shares here while they're still trading at absurdly low single-digit price-to-book (P/B) multiples.

There's a reason why Prem Watsa, a man we know as the Warren Buffett of Canada, was so bullish on the new-and-improved BlackBerry for a reason. Although he didn't have much to show for his investment, I still think it's way too early to conclude that BlackBerry is a dud of a stock. Turning the ship around isn't going to be easy, and the stock isn't right for a majority of investors who are looking for quick gains. That said, young investors willing to stash and forget the name in their TFSAs, I believe, could surprise themselves over the course of the next decade.

Foolish takeaway on BlackBerry stock

For now, a majority of analysts seem unenthused by BlackBerry, with the large number of "hold" ratings on the stock and the single-digit price targets. I think the name is in need of an upgrade but don't think one will be sparked (forgive the pun) until the company can pull the curtain on some remarkable recovery numbers that reveal strength across the board.

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