



## BlackBerry (TSX:BB) Could Thrive Where Other Meme Stocks Died

### Description

Last week saw a rapid collapse in meme stocks like **GameStop** and **AMC**, which crumbled after their dramatic rise in the prior week. Stocks like GME are still higher than they were when the meme stock frenzy started weeks ago, but have been losers for those who got in late.

For the most part, these stocks are probably finished. Almost all of them are declining as businesses, with revenue down and earnings negative.

Yet there is one meme stock that may still have a future ahead of it. **BlackBerry Inc** ([TSX:BB](#))([NYSE:BB](#)) is actually in the midst of a business turnaround. After pivoting away from smartphone manufacturing and toward software, it has seen some success. The company has already inked huge deals with America's biggest tech companies and car manufacturers. If it can keep up the momentum, BB stock may have a future ahead of it.

### BlackBerry is profitable by *some* measures

One thing that makes BlackBerry [different from other meme stocks](#) is profitability.

By *some* metrics, BlackBerry is a profitable company. In its [most recent quarter](#), BlackBerry posted:

- \$0.02 in adjusted EPS.
- \$224 million in non-GAAP revenue.
- Non-GAAP gross margin of 70%, GAAP gross margin of 68%.
- \$29 million in net cash from operating activities.

In and of themselves, these are positive figures. Revenue was up year-over-year and EPS was positive. But note the extensive use of terms like “adjusted” and “non-GAAP” above. Both revenue growth and earnings flip to negative if you use GAAP standards. BlackBerry had to make many adjustments to get the “good” numbers in its third quarter press release. The only positive number that stands by normal accounting standards is the \$29 million in cash from operations.

## Software revenue growing

One area where BlackBerry unquestionably *is* seeing growth is in software adoption. BlackBerry's software is genuinely being adopted rapidly by car manufacturers and other clients. In the third quarter of 2021, it declined year-over-year, but had been in a positive trend for several years prior to that.

As of the most recent reports, BlackBerry's QNX software was running on 175 million cars. That was up from the prior year, when QNX was in about 150 million cars. That's solid growth, however, BlackBerry's QNX growth might hit a stumbling block this year. **Ford** recently announced that it was ditching BlackBerry's AI car software in favour of **Alphabet's** offering. One major client like that dropping BlackBerry could result in millions fewer installs. That's definitely something for investors to keep in mind.

## Foolish takeaway

2021 has witnessed one of the swiftest booms and busts in modern financial history. In just a few weeks, Reddit's favourite "meme stocks" surged to all-time highs—some of them rising more than 1,000%—before crashing down. BlackBerry was one of those stocks whose price movement fit that pattern initially.

However, it may not suffer quite the same *long term* fate as its peers. With growing software adoption and non-GAAP profits, it's certainly not in *quite* the terminal decline other meme stocks are. Also, its stock has held on to its gains better than other meme stocks did. That doesn't mean BB stock is a buy. But as a business, it has more staying power than its peers.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

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

### PARTNER-FEEDS

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

### Category

1. Investing
2. Tech Stocks

**Date**

2025/08/14

**Date Created**

2021/02/09

**Author**

andrewbutton

default watermark

default watermark