



Can BlackBerry (TSX:BB) Stock Double?

Description

In recent weeks, shares of **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) have soared. The one-time titan of the smartphone market has nearly doubled so far in 2021. Given the recent bout of encouraging news, this begs an important question. Will we see the BlackBerry stock double once again this year?

To answer that question, let's talk a bit about BlackBerry.

A history some investors may want to forget

BlackBerry's one-time revolutionary handheld devices ushered in the modern smartphone era. The small-screen physical keyboard devices were insanely popular before both iOS and Android devices hit the market. Following several dismal years of trying to compete, BlackBerry stopped making its own devices several years ago. Instead, BlackBerry licensed partners to bring devices to market with the BlackBerry name.

This didn't revive hardware sales, which continued to dwindle. That said, that still was an overall smart move by the company, allowing BlackBerry to shift into a software-first operation. This was fueled by the promise of multiple recurring revenue streams, an example being BlackBerry's MDM business. BlackBerry also entered into the consulting market, offering a suite of cybersecurity solutions to customers, establishing yet another revenue stream. That too was a masterstroke move, albeit several years late.

Those initiatives (as well as several others) have allowed BlackBerry to putter along through earnings seasons. Unfortunately, for investors, gone are the days of the \$100+ share price and earnings calls citing millions of device units and hundreds of millions of users. So where does that potential for growth exist, and could it really make the BlackBerry stock double anytime soon?

BlackBerry's potential lies here

Perhaps the most intriguing of moves that Blackberry made in recent years is also where that potential

lies. That honour goes to the autonomous vehicle market, where BlackBerry is investing heavily into its QNX platform.

QNX is a scalable, secure, and modular OS already in use across a growing number of mission-critical operations. Key examples here include anything from medical devices to nuclear power plants. In other words, the OS is a mature, trusted, and secure option, making it an ideal option for autonomous vehicles.

Coincidentally, QNX is *already* in use in the automotive sector. The OS currently powers the infotainment systems of dozens of automotive brands, which translates into approximately 150 million vehicles worldwide. This works out to half of the connected car market and nearly double the share of its nearest competitor in the field.

In fact, most people may not realize it, but when connecting your smartphone to your vehicle, when CarPlay or Android Auto launches, it's operating *on top of the QNX layer*, putting BlackBerry in a unique position for massive long-term gains, assuming it can deliver. Impressive, but could that lead to a BlackBerry stock double?

Also worth noting is BlackBerry's recent venture with internet commerce behemoth, **Amazon**. The partnership will open the door for BlackBerry's QNX automotive platform to connect with AWS. This opens the door for OTA (over-the-air) updates of vehicle software as well as a host of system monitoring, support and customization options.

Here's the bottom line on a BlackBerry stock double

As intriguing and lucrative as that sounds, keep in mind that the fruits of that new partnership do not exist yet. This platform still needs to be developed. To put it another way, this promising new initiative could be a [growth driver in the future](#), but that doesn't necessarily make it a *revenue* driver.

In terms of QNX having an impact on BlackBerry's bottom line, revenue from QNX is contained within the IoT business segment, and not as an explicit line item. In the most recent quarter, the segment brought in US\$145 million. Intriguing, yes. Growth-focused, yes. But Can Blackberry continue to deliver?

QNX is a strong growth-driver, but whether that will translate into a profitable long-term revenue generator remains to be seen. In other words, the much-hyped lucrative growth at BlackBerry could still be several years (if ever) out from now.

To put it another way, unless you're already invested in BlackBerry and along for the ride, [there are far better options to consider](#) at this point. And no, I don't see any way a BlackBerry stock double occurs in 2021.

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