



BlackBerry Stock: A Perpetual Turnaround Story at a Discount

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is a stock that's been in [turnaround mode](#) for many years.

Thus, the company's recent quarterly earnings were yet another disappointment for investors who've been bullish on the company finally turning the corner.

Indeed, BlackBerry's recent results were extremely disappointing, to say the least. It appears that investors may be losing faith in this long-term transition play today.

That said, I believe this stock remains an intriguing option on the TSX with plenty of long-term upside. Here's where the Waterloo-based company stands right now.

Fourth-quarter earnings were dismal

In BlackBerry's recent earnings call, the revenue figures were way below par. Indeed, this company reported a loss of approximately \$315 million for the fourth quarter and generated net cash from operating activities encompassing \$51 million. Furthermore, its quarterly non-GAAP was \$215 million, whereas it reported a GAAP revenue of approximately \$210 million.

BlackBerry's adjusted profits of \$0.03 per share almost matched with analysts' expectations in Q4. However, I think that this downturn is only a short-term concern and has been caused by various factors. As per this company's statement, its licensing revenue has not met the expectations due to unfavourable negotiations concerning the sale of its patents.

Now investors have to look into the announcements section to make predictions regarding the next financial year.

BlackBerry still has some big catalysts

Considering BlackBerry's fundamentals, there's no doubt that this stock's performance has been

inconsistent. Nevertheless, it appears that this stock has a tonne of potential to grow after the company made some major announcements recently.

BlackBerry revealed that it would be teaming up with **Baidu** to engineer a new autonomous driving technology that would facilitate the production of self-driving vehicles, while focusing on security as a priority. Partnerships like these will undoubtedly bolster this company's potential to become a leader in the IoT space.

Furthermore, a few months back, BlackBerry announced that it would be partnering up with **Amazon** to develop its intelligent data platform, BlackBerry IVY. This cloud-based software platform will enable automobile manufacturers to provide a personalized experience to car owners and passengers while also improving the performance of connected vehicles.

Scania, a Swedish manufacturer, has opted for BlackBerry's QNX software for its next-gen commercial vehicles. Additionally, **Sony** revealed that it would be using this technology in its upcoming electric vehicle, Vision-S.

There remains a number of key catalysts here that represent tremendous growth potential for BlackBerry investors today.

Bottom line

With most of the excess hysteria around BlackBerry's meme stock rise earlier this year behind the company, I think BlackBerry stock could be set up for an interesting 2021 from here on out.

Yes, momentum isn't behind this stock right now. However, buying low and selling high is still a thing. Picking up shares in a beaten-up, long-term growth play when no one else wants to buy them is a strategy that could be a fruitful one long term.

That said, I'd recommend investors considering BlackBerry stock also ease into this position. It's a stock that could have more downside over the near term. Accordingly, averaging in may be the best strategy with such a stock today.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. growth
2. growth stocks
3. investing
4. market
5. Stocks
6. tech stocks
7. technology
8. technology stocks
9. tsx growth stocks

10. tsx tech stocks

TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. NASDAQ:BIDU (Baidu, Inc.)
3. NYSE:BB (BlackBerry)
4. 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

Tags

1. growth
2. growth stocks
3. investing
4. market
5. Stocks
6. tech stocks
7. technology
8. technology stocks
9. tsx growth stocks
10. tsx tech stocks

Date

2025/07/22

Date Created

2021/04/12

Author

chrismacdonald

default watermark

default watermark