

BlackBerry (TSX:BB) Just Snapped Up Another Juicy Deal

Description

BlackBerry Inc ([TSX:BB](#))([NYSE:BB](#)) just landed another partnership. A major auto-maker, the company will use BlackBerry's QNX software in its vehicles, providing revenue to BlackBerry and increasing its profile. Earlier this year, BlackBerry hit a major stumbling block when **Ford** dropped its infotainment software in favour of **Alphabet's** comparable offering. The latest news shows that, despite that setback, BB keeps adding more QNX customers year after year. In this article, I'll explore this new deal and what it means for BlackBerry's investors.

Volvo

AB Volvo (OTC:VOLVY) is a major Swedish auto maker. Its revenue was equivalent to about \$40 billion in 2020, making it one of the world's largest auto makers. Volvo has a popular reputation for making the safest cars on the road. That's debatable, but the company's cars do perform well on safety tests. It scored second on [U.S. News' list of the safest car brands](#).

Owing to its reputation for safety, Volvo has acquired high brand recognition. Motorists trust its cars, which are seen as proven, reliable vehicles.

All of this bodes well for BlackBerry—which recently inked a deal with Volvo.

Last week, Volvo announced that it was going with BB's QNX as its heavy equipment software of choice. That will provide BlackBerry with some new software revenue, of course. But that may not be the biggest benefit of the contract. By partnering with BlackBerry, Volvo has sent the car industry the message that BB's software is safe and reliable. That's significant because Volvo is known for safety. It wouldn't have partnered with BB if it thought its software had serious flaws. So BB's deal with Volvo may raise the former's profile in the automotive industry. That in turn could lead to more contracts down the line.

Why this is great news for BlackBerry

BlackBerry's Volvo deal is great news because it caps a year of encouraging stories from the company. In the last 12 months, BlackBerry has:

- Achieved 175 million QNX installs.
- Partnered with **Amazon** on [AI-powered car software](#).
- Prevailed in a lawsuit against **Facebook**.
- Launched a brand-new suite of cybersecurity solutions.
- Achieved positive adjusted net income for the full year 2020.

Taken as a whole, this is an impressive string of achievements. The deal with Volvo may create the

impression that the hot streak is still going. Ford dropping QNX was a major setback to the narrative that BlackBerry is rapidly becoming a leader in car software. It was the first truly bad news the company had announced in a long time. The fact that Volvo is now adopting QNX on its own vehicles helps reinforce the perception that QNX is a popular, growing software suite—a perception that had been challenged by Ford's actions.

Foolish takeaway

BlackBerry has given investors a wild ride over the past year. Treading water for months, it suddenly surged in the meme stock rally, and then came crashing down once more. BB is still way above its prices at the beginning of the year, but the meme bubble bursting undeniably hurt it. The company's new deal with Volvo may provide hope that its stock isn't done just yet.

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

2025/09/18

Date Created

2021/04/13

Author

andrewbutton

default watermark

default watermark