



## Meme Stock Mania: Where Will BlackBerry Stock Go From Here?

### Description

The world of investing seems to have been turned on its head of late. Indeed, investing in [technology stocks](#) such as **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) suddenly doesn't appear to be as simple as it once used to be. [BlackBerry stock](#) is one that's certainly been on a wild ride of late.

As a company that has gotten swept up in the meme stock mania earlier this year, shares of BlackBerry have been more volatile than the vast majority of Canadian stocks. Accordingly, many long-term investors may not want to touch this company over the fear of volatility.

That said, there may indeed be reasons to own this company, depending on one's outlook. Let's dive into what the experts think about where BlackBerry could be headed from here.

### Analysts in conflict on BlackBerry stock

BlackBerry stock is one of those difficult stocks to ascertain a value for. Indeed, even analysts are disagreeing on the quality of the company's underlying business model and long-term growth prospects.

In fact, analysts are all bearish on BlackBerry stock right now. Out of the four analysts covering the company, all have assigned a sell rating to this stock.

Of course, a significant reason for this is the company's current valuation. Due to BlackBerry's rise to prominence among retail investors, BlackBerry now enjoys a valuation of more than 9-times sales, despite still being in turnaround mode. The company's not yet profitable, and questions remain as to the ability of BlackBerry to get back in the black over the medium-term.

These objections to BlackBerry's current stock price are notable. And investors should certainly heed these concerns with caution.

However, the question for investors interested in BlackBerry stock is whether this company can potentially grow into its valuation. That's where things become a bit trickier.

## Growth prospects remain strong

BlackBerry's ability to grow is directly correlated to the success of the company's core software business. After all, BlackBerry's hardware and patent businesses have been in decline for some time. Investors shouldn't rely on these segments to generate much in the way of top or bottom-line performance over the long term.

That said, the company's core QNX operating system is the bread and butter driving BlackBerry to the future. With key partnerships such as those of **Amazon** in developing the company's IVY platform, there's once again hope for BlackBerry. Indeed, should IVY take off in the same way as QNX has in the auto sector, BlackBerry could actually prove to be at a pivotal point in its life cycle right now.

I'm an inherent optimist, for good and bad. In the case of BlackBerry, there are actually fundamental drivers underpinning a rather solid growth thesis with this stock. Accordingly, while BlackBerry's valuation remains high, I'm seeing higher in the market right now for comparable companies lacking profits. Accordingly, I'm of the opinion investors shouldn't ignore BlackBerry altogether at these levels.

## Bottom line

BlackBerry certainly has a lot of work to do to justify the company's current valuation. However, I think BlackBerry remains an intriguing highly speculative tech play long-term investors may want to consider.

That said, waiting for a better entry point may be well-rewarded here. This is a stock that's not yet at a valuation that screams "buy." That said, I'll be looking at this stock in the single digits.

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1. Investing
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