



BlackBerry Stock: A Growth Stock to Buy or a Has-Been?

Description

A former Canadian [growth](#) stock champion, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) once accounted for 43% of the smartphone platform market in 2010, as per Comscore. However, the brand lost its entire market to competitors that have since eroded BlackBerry's market share to basically zero.

Accordingly, CEO John Chen has taken BlackBerry on a decade-long turnaround to become a pure-play software company. This transition is still underway, and there's been some good progress that's been made.

However, investors looking for profitability and top-line growth remain wanting. This is a stock that hasn't turned the corner as fast as most investors would have liked to see.

Can BlackBerry ever recover? Or is this a stock to take off the watch list and ignore right now?

Legacy patents on sale for US\$600M

One of the key catalysts many investors have relied on with BlackBerry in recent years is this company's ability to monetize its patent portfolio. Some recent news indicates that US\$600 million of legacy patents will be sold to Catapult IP Innovations. This deal includes \$450 million in cash and a promissory note for the remainder.

BlackBerry's patent portfolio has been able to pad the company's expenditures in recent years. These series of near-term sales to offload legacy assets have certainly proved to provide short-term catalysts in bull markets. However, with investors increasingly concerned about macro headwinds, these patent sales may not have the same effect moving forward.

Additionally, one negative that investors have pointed to in recent days is analyst commentary on this deal. Analysts have pointed out that BlackBerry's sale appears to be well below expected value. Accordingly, BlackBerry stock has not bounced on the news.

A roller-coaster ride, but it could be a growth stock to consider

BlackBerry does have some intriguing growth catalysts I've harped on in the past. A high-profile partnership with **Amazon** was supposed to provide a big revenue and earnings boost last year. However, nothing has materialized of yet, creating more cause for concern.

Sure, there's growth upside with BlackBerry. However, I'm among the growing number of investors that are getting restless with this stock. In this market, that's certainly not a good thing.

Now trading under \$10 per share, perhaps there's going to be some value seekers picking up BB stock. However, the risk/reward upside with this software company isn't as clear as it seemingly was.

Bottom line

My take on BlackBerry stock is that the jury is still out on whether this turnaround will be successful. As mentioned, this market is likely to be unfavourable for growth investors for some time. Accordingly, the investing thesis with this stock is one that's hard to grasp right now.

However, at some point, every stock becomes worthy of a look. I'll keep monitoring this stock, and should the catalysts change, perhaps the market will change its stance.

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chrismacdonald

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