



This Growth Stock Could 10X in 10 Years

Description

10X growth in 10 years can convert \$5,000 into \$50,000. Is such growth possible? For such high returns, you need a growth stock that can continue growing for the long term. Several [tech stocks](#) have achieved 10X growth during the digital revolution of the 2020 decade. **Descartes Systems** stock surged 9.9X, and **Constellation Software** surged 15X since November 2012. Which is the next stock that can take the 10X growth torch forward?

A stock with 10X growth potential

Forgotten mobile phone maker **BlackBerry** ([TSX:BB](#)) is making a comeback, but with different tech. And that is where the 10X growth lies. After years of restructuring to overcome the aftermath of the 2007 fall it took because of the **Apple** iPhone, BlackBerry has made a mark in the endpoint cybersecurity space. Many government organizations and corporations use BlackBerry's security solutions. This business segment earns BlackBerry regular cash flow, with stable single-digit revenue growth. But that is not where the growth lies.

An area with higher demand is the Internet of Things (IoT). BlackBerry's IoT segment reported 28% revenue growth in the second quarter. This segment hinges on earnings from BlackBerry's QNX operating system (OS) for automotive. The QNX software is growing its vehicle count steadily.

So far, QNX powers more than 215 million vehicles and has secured design wins from names like **Volkswagen** and **Hyundai**. BlackBerry has partnered with 24 of the top 25 electric vehicles (EV) makers, which means it could ride the EV revolution. The global EV market is [expected](#) to surge at a compound annual growth rate (CAGR) of 18.2% by 2030. Several short-term headwinds like chip supply shortage, rising commodity ([lithium](#)) prices, and energy crisis have stalled EV growth.

At the same time, rising fuel prices have increased the demand for fuel-efficient cars. The net-zero emission target has pushed many governments towards encouraging EV adoption. The United States, China, and Europe are spending billions on EV charging infrastructure. But the global recession and supply chain constraints have slowed the EV revolution and pushed it towards the second half of the

decade.

The road ahead for BlackBerry stock

All major automakers have big electrification plans in the pipeline, and BlackBerry's QNX OS will power most of them. Not just EVs, QNX will also power gasoline cars. Moreover, BlackBerry is testing its IVY vehicle intelligence, a crucial element in the journey to smart cities. IVY will create new opportunities for supplementary supply chains like car insurance, EV charging stations, and vehicle maintenance providers.

The QNX backlog is about \$560 million, which is equal to over three years of its IoT revenue. It is too early to make any projections for IVY. Hence, BlackBerry has given a five-year projection of 13% revenue CAGR. It expects to break even in 2024 and move to positive cash flow starting in 2025. If BlackBerry successfully implements its strategy and achieves these growth projections, its stock could grow 10X in seven years.

But I don't expect any significant growth until 2024 due to short-term headwinds. The stock has more than halved and is closer to its March 2020 level. I won't beat around the bush. BlackBerry stock could fall another 20%, as rising inflation and interest rate hikes make holding BlackBerry stock expensive. But a buy-and-hold strategy can increase your chances of growth.

The multi-bagger strategy

BlackBerry is a multi-bagger stock, so you have to treat it like one. In the multi-bagger strategy, you buy unpopular stocks. They don't have impressive numbers, but they have a competitive product in a growing industry and management to strike when the iron is hot. Invest about 5% of your portfolio in five to eight multi-bagger stocks. Exponential returns from even one stock could grow your overall portfolio.

Invest a small amount (\$100) per month in BlackBerry stock for the next six to 10 months and reduce your cost. After that, hold it for 10 years. It could convert your \$1,000 into \$10,000 or even \$20,000 or halve it to \$500. A \$500 risk for a \$19,000 reward is a good deal.

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