



What to Expect When BlackBerry Reports This Week

Description

BlackBerry ([TSX: BB](#))(NYSE: BBRY) will release its quarterly earnings before the opening bell on Thursday. As usual, investors are bracing themselves for another round of substantial losses after the company surrendered its top position in the global smartphone market.

This quarter, investors will be looking past the income statement malaise. Instead, all attention is on BlackBerry's new Chief Executive John Chen, who has been tasked with crafting a new vision for the company. Let's take an early look at what has been happening with BlackBerry over the past quarter and what we're likely to see in this report.

Stats on BlackBerry

Analyst EPS Estimate	-\$0.25
Year-Ago EPS	-\$0.13
Revenue Estimate	\$979M
Change From Year-Ago Revenue	-68.1%

Earnings Beats in Past Four Quarters 2

Source: Yahoo! Finance

Can BlackBerry turn itself around?

Analysts have been consistent in their views on BlackBerry earnings in recent months, leaving their consensus estimate for both the upcoming year and fiscal 2015 unchanged. Despite this, the stock has been hammered. BlackBerry's shares are down 15% over the past three months.

No doubt the financial media will choose to focus its attention this week on the company's enormous losses, fleeing subscribers, and abysmal BB10 launch. However, shareholders are starting to look beyond the declining smartphone business and evaluating the company's position in the next technological trend: the Internet of Things.

At its core, the IoT is simply taking devices that previously weren't connected to our digital world and giving them connections to the internet. This includes everything from cars to refrigerators and even entire cities. When you consider that the number of devices connected to the internet will be three times larger than the human population by 2018, you start to comprehend the size of this market.

One big opportunity for BlackBerry could be the automotive industry. Imagine a future where your car sends you a diagnostic before a scheduled repair, you can enable third-party apps, or you can customize your dashboard. That's all possible today on the company's QNX operating system.

BlackBerry is making significant headway on this front. A number of automakers — including **Fiat Chrysler**, **General Motors**, **Kia Motors**, and **Nissan Motors** — already run their infotainment systems on QNX. In February, **Ford** announced it would consider dropping **Microsoft's** Sync for QNX in its vehicles.

While the automotive industry is promising, Mr. Chen has his eyes on an even larger prize: positioning the company as the universal platform for all devices to make the IoT possible. Rather than create the devices consumers use, BlackBerry hopes that it can build the software that will allow a myriad of smart devices to talk to one another.

Last month, BlackBerry started moving in that direction after it announced [Project Ion](#). The initiative is designed to help businesses manage the plethora of new internet-enabled devices coming online every day.

In BlackBerry's upcoming report, investors will be trying to get a read on whether the company's push to become a universal platform provider will pay off quickly enough to offset its declining smartphone business. Shareholders will also be keeping a close eye on cash burn to determine if the company has the financial resources needed to pull off this turnaround.

CATEGORY

1. Investing

TICKERS GLOBAL

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2. TSX:BB (BlackBerry)

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