



## What to Expect When BlackBerry Ltd. Reports Earnings Next Week

### Description

**BlackBerry Ltd.** ([TSX: BB](#))(NASDAQ: BBRY) is scheduled to publish its quarterly earnings report next week, and shareholders are bracing themselves for another round of ugly numbers.

After being ousted by **Apple Inc.** ([NASDAQ: AAPL](#)) and **Google Inc.** ([NASDAQ: GOOG](#))([NASDAQ: GOOGL](#)) from its original smartphone business, investors are wondering if the company can establish itself in another technology niche. Let's take an early look at what's been happening at BlackBerry over the past few months and what we're likely to see in the upcoming report.

### Stats on BlackBerry

<b>Analyst EPS Estimate</b>	\$0.16
<b>Year-Ago EPS</b>	\$0.47
<b>Revenue Estimate</b>	\$907.38M
<b>Change From Year-Ago Revenue</b>	-42.30%
<b>Earnings Beats in Past Year</b>	3

Source: Yahoo! Finance.

### Will BlackBerry ever recover?

Investors have put their faith in John Chen and his vision for the future. Earlier this year, the new CEO announced a major reorganization, slimming down operations and aggressively cutting costs. His new vision emphasizes enterprise services and messaging, as well as the company's QNX operating system.

Bay Street seems to be buying into the new plan. In recent weeks, analysts have trimmed their loss estimates for the August quarter and for the full fiscal year by about half. The stock has rocketed higher in lockstep, up 40% over the past three months.

BlackBerry hasn't abandoned its handset business, though. Earlier this year, the company released a

version of its Z3 for Indonesia, taking full advantage of BlackBerry's popularity in emerging markets. Next week, it is also expected to unveil the BlackBerry Passport, the world's first square-shaped smartphone.

That said, BlackBerry isn't really about phones anymore. Anyone who is focused on handsets really doesn't understand this business under Mr. Chen.

BlackBerry is trying to position itself as a key player in the Internet of Everything, or IoE — the connection of people and things to the Internet. In May, the company announced Project Ion, which consists of three parts:

- Creating a secure public information platform to run its QNX software
- Supporting an IoE ecosystem, and
- Partnering with other top players in this emerging industry

In essence, BlackBerry wants to build the Philosopher Stone of this movement, creating the infrastructure needed for all of these devices to talk to one another.

The company is also making a big push into mobile device management. It may no longer manufacture many phones, but it can help companies run the networks needed to manage them. And after last week's acquisition of SIM-card market Movirtu, BlackBerry gained a huge competitive advantage in this space.

However, exactly how BlackBerry plans to dominate these new businesses remains unclear. In its earnings report, watch to see how management plans to move beyond smartphones. If Mr. Chen can better define his long-term vision, it could be a huge catalyst for the stock.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NASDAQ:GOOG (Alphabet)
3. NASDAQ:GOOGL (Alphabet Inc.)
4. NYSE:BB (BlackBerry)
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