



Should Investors Buy BlackBerry (TSX:BB) Stock Ahead of Earnings?

Description

Later this month, **BlackBerry Ltd** ([TSX:BB](#))([NYSE:BB](#)) is expected to release its quarterly results. Back in Q1, [investors weren't impressed](#) with the company's showing and that led to the stock falling to below \$9 a share.

With BlackBerry still unable muster up much of a rally since then, it could be an opportunity for investors to buy the stock at around the lowest price that it has been during the past year.

Why Q2 could give the stock some life

BlackBerry's stock has generally done well in recent quarters, in terms of beating earnings estimates, Q1 may have been a bit of an anomaly. Although Q1 led to a big sell-off, in the three previous quarters the share price rose on earnings day, with two of those times seeing the stock rise more than 10%.

With Blackberry's stock not generating much excitement lately, a strong showing in Q2 could be just what the share price needs to start rallying and climb up over the \$10 mark.

The company has been generating good results, and last quarter, its key segments — Internet of Things and licensing — both showed good growth. The overall sales numbers would have been more impressive had the prior year's numbers not included revenue from legacy businesses.

If BlackBerry can continue making strong progress in its core operations, there's little doubt that the stock will be able to build on that momentum.

As long as the company doesn't have a disastrous showing in Q2, there's a good chance that it can rebound from today's price. With strong support at around \$9 a share, it would likely take a huge disappointment for the stock to fall further.

Still lots of growth out there

Despite the challenges the company has faced over the years in turning around its business, BlackBerry has been making strides in the right direction, which is why I'm confident that the stock will increase over the long run.

With privacy becoming a [major issue](#) for both consumers and businesses recently, a brand like BlackBerry can prove to be very valuable. Establishing a strong track record in data protection and privacy has been one of the ways that BlackBerry has been able to differentiate itself from its competitors.

While that may not have been enough for it to stay competitive in the cell phone market, it gives the company a big advantage in developing products and solutions for businesses today.

Why the stock is a hot buy

After BlackBerry's stock fell after its most recent quarterly report, I knew the stock was a steal of a deal given its potential, which is why I couldn't pass up the opportunity to buy it. While the quarter itself wasn't a strong one, that doesn't mean that the company is doomed and won't be able to recover.

The company has done a great job of transforming its operations over the years, and with a much stronger business model in place, I have little concern about BlackBerry's ability to create value for investors. There's lots to like about the company's future, and it's still very early on in the growth of its new segments.

Investors could be getting a great deal buying the stock at its current price, as it could get a lot more expensive once its results become stronger and more consistent.

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