



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

Description

BlackBerry Ltd ([TSX:BB](#))([NYSE:BB](#)) will release its quarterly earnings this week and a strong performance could make the stock an even hotter buy than it has been of late. Up over 50% in the past month, shares of BlackBerry have been flying after the [company announced that it would be working with Amazon](#) to provide automakers with data relating to a vehicle's sensors and other information that could potentially be utilized in next-generation driving systems, including in self-driving cars.

It's a great step forward for the company and investors will be looking for even more good news from BlackBerry's financials. The company's coming off a strong second quarter where it beat expectations; revenue of US\$259 million rose 6.1% from the prior-year period, with its licensing and other segment driving the strong results, rising an impressive 42%. BlackBerry's net loss of US\$23 million was also smaller than the US\$44 million loss it incurred in Q2 last year.

The company pointed to strong demand for its Work From Anywhere solution as a key reason for its strong results. And as more businesses continue to work remotely and need to stay connected securely, it wouldn't be surprising to see it give the company another boost in Q3.

What investors may also be expecting is an improvement in the company's guidance after the announcement of the Amazon partnership.

Why the stock could be poised for some strong gains

In Q2, BlackBerry stock didn't get much of a boost despite its [improved results](#). But things might be different when it releases its Q3 numbers. A big part of the reason is that there are many more eyeballs on BlackBerry stock right now and that could amplify how it does, especially if the company reports an earnings beat or issues a strong guidance.

Shares of BlackBerry have been struggling for most of the year and although the stock is up over 25% in 2020, its returns would look much different had it not been for the recent Amazon announcement.

BlackBerry's transformation from a cell phone maker into a business that's focused on cybersecurity

and software has been a long one and it's taken many years for the company to get to where it is today. But now, with some positive news and more consistent financial results, it may finally be an opportune time for the stock to build on its recent gains. A good Q3 will make the stock's current rally go on longer, likely pushing it to new 52-week highs.

Should you buy BlackBerry stock?

BlackBerry has a lot going for itself of late and there's plenty of reason to be bullish on the company's future. Not only could it land more deals here on out, but the deal with Amazon will likely help boost the company's top line in the future. Regardless of how it does in Q3, the long-term outlook for BlackBerry hasn't looked this good in years.

The Canadian tech stock could be among the better-performing investments on the **TSX** for years to come, and buying it now before it takes off even further could prove to be a great move.

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