



Could BlackBerry Stock Jump After its Earnings Event This Week?

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is gearing up to announce its latest quarterly results on Thursday after the market closing bell. Amid a renewed broader [market selloff](#), the **TSX**-listed BB stock fell by 4.2% to \$6.78 per share last week. But it still managed to outperform the TSX Composite benchmark, which shed 6.6% of its value in the week ended on June 17 after the U.S. Federal Reserve stepped up its fight against inflation by raising the key interest rate by 75 basis points. Before I explain why BlackBerry could be a great stock to own right now for long-term investors, let's take a closer at expectations from its upcoming results.

Expectations from BlackBerry's Q1 2023 results

Investors' high expectations from the Q1 of its fiscal year 2023 (ended in May 2022) results could be one of the reasons why BB stock outperformed the broader market last week. Street analysts expect BlackBerry to report a 7.7% YoY (year-over-year) drop in its total revenue to US\$160.7 million in the May quarter. Similarly, the tech company is expected to post US\$0.05 per share in net loss per share for the quarter.

Could BlackBerry beat Q1 estimates?

Previously in the February quarter, BlackBerry's design-related revenue for its QNX business reached a new record, despite the ongoing supply chain disruptions. Meanwhile, its overall revenue for the IoT (internet of things) segment crossed the US\$50 million mark for the first time since the start of the pandemic. In addition, its cybersecurity billings showcased sequential as well as YoY positive growth. These factors helped BlackBerry beat analysts' bottom-line estimates for the fourth quarter in a row and post surprise profits.

Given this recent turnaround in its overall IoT business and cybersecurity billings, I find analysts' estimates for its Q1 results quite conservative. While I don't expect the Canadian enterprise software company to report a dramatic turnaround in its financial growth trends in the May quarter, it may

continue to beat analysts' expectations in Q1, which could help BB stock recover.

Why BB stock is worth buying for the long term

BlackBerry has significantly increased its focus on creating advanced technological solutions for futuristic vehicles in recent years. The Waterloo-based tech company's upcoming earnings event could give investors an insight into its future growth potential with updates about its efforts in the automotive segment. That explains why long-term investors also may want to keep a close eye on its upcoming earnings event later this week.

In January this year, BlackBerry held a [demonstration](#) of its intelligent vehicle data platform called IVY at the International Consumer Electronics Show (CES) 2022. The company has been developing the IVY platform since December 2020 in collaboration with **Amazon** Web Services. The platform has the potential to make real-time AI-based decisions, enhancing the in-car experience for drivers and passengers.

Most of the world's largest automakers, including **Toyota**, **Volkswagen**, Mercedes-Benz, **General Motors**, **Honda**, and **BMW**, already use QNX operating system in their vehicles. As the demand for autonomous and electric vehicles is projected to skyrocket in the coming years, the IVY platform has the potential to further expand BlackBerry's presence in the automotive segment at an exponential rate. These factors could help its stock yield outstanding returns in the long term. That's why I consider BB stock really attractive for long-term investors — especially after the recent [tech sector](#)-wide selloff has erased 43% of its value in 2022 so far.

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