



## BlackBerry Stock: Top Things to Watch in its Q2 Earnings Report This Week

### Description

The Canadian tech firm **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is set to announce the second quarter of its fiscal year 2023 (ended in August) financial results on September 27 after the market closing bell. Last week, BB stock fell by nearly 12% to \$6.69 per share after the U.S. Federal Reserve continued to aggressively raise interest rates by 75 basis points for the third consecutive time, leading to a [tech sector](#)-wide selloff.

Before I highlight some key [fundamental](#) factors investors may want to watch in BlackBerry's second-quarter (Q2) earnings report, let's take a closer look at analysts' expectations from its upcoming quarterly results and its recent financial growth trends.

### Analysts' estimates for BlackBerry's Q2 2023 earnings

In the August quarter, analysts expect BlackBerry to report a 4.8% YoY (year-over-year) decline in its total revenue to US\$166.7 million. Previously in the May quarter, the Canadian software company reported a 3.5% YoY drop in revenue to US\$168 million. While the sales of its cybersecurity and IoT (Internet of Things) segments continued to grow positively, a sharp drop in its licensing segment revenue drove its total revenue figure down, as BlackBerry [continued](#) to pursue the sale of the legacy portion of its patent portfolio.

According to Street analysts' latest estimates, BlackBerry is likely to report a net loss of around US\$0.07 per share in Q2 2023, which is slightly wider compared to its adjusted net loss of US\$0.06 per share in the corresponding quarter of the previous fiscal year. In fiscal Q1 2023, the company registered an adjusted net loss of US\$0.05 per share but managed to exceed analysts' estimates.

### Top factors to watch in BlackBerry's earnings report this week

In recent quarters, BlackBerry has reported minor improvements in the demand for its enterprise cybersecurity solutions despite ongoing worries about a near-term recession. I expect this positive demand trend to continue in the August quarter as well amid growing cyber threats worldwide.

Investors also may want to keep a close eye on any mention of continued COVID-related lockdowns in China, supply chain disruptions, and inflationary pressures in BlackBerry's upcoming quarterly earnings report.

While growing auto industry-wide challenges and high inflationary pressures might take a toll on its IoT segment sales in Q2, I expect continued demand for its QNX operating system to help BB maintain overall positive sales growth for the segment. Notably, BlackBerry's QNX software is currently used in about 215 million vehicles globally. And as most global automakers are now focusing on developing futuristic vehicles with higher computing power, the demand for its QNX software is likely to increase further, underpinned by the ongoing strength in its design wins.

In addition, BlackBerry has also increased its focus on developing advanced technological solutions for the auto industry in recent years. For example, the company is currently working on its intelligent vehicle data platform called IVY, which has already started receiving positive responses from large global auto companies. This is one of the key reasons investors may also want to pay close attention to any updates related to BlackBerry's IVY data platform during its Q2 earnings conference call.

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