



## Absolute Software Stock Climbs 16% After Earnings Beat

### Description

**Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) shares climbed 16% on Feb. 9 after the cloud-based company reported an earnings surprise for the second quarter of 2022.

- Absolute Software stock beat estimates for the second quarter in a row.
- Earnings came up to US\$0.13 per share compared to US\$0.03 per share the year before.
- Revenue hit US\$49 million for the quarter, up 64% year over year.
- It also delivered a better-than-anticipated EBITDA margin of 26%.
- Absolute Software stock also increased its guidance during the report.

### What happened in Q2 for Absolute Software stock?

Absolute Software stock increased 16% in early trading after the tech stock beat earnings estimates for the second quarter. This is the second quarter in a row the cloud-based company has managed to beat [expectations](#), reporting US\$49 million in revenue and US\$0.13 per share.

Guidance for Absolute Software also increased. The company reported a financial outlook for the 2022 fiscal year to between US\$206 and US\$208 million. This is a 13-14% increase from the previous range. Further, it increased its full-year adjusted EBITDA guidance to between 22% and 24%.

### What did Absolute Software management say?

Management remained confident that demand for its cloud-based cybersecurity platform will remain strong — not just through the rest of the year, but as more and more companies shift to a work-from-home model. Absolute Software stock will also continue to find new opportunities outside of North America, most recently stretching to Dubai.

“Our results this quarter, and our overall first half performance, demonstrate steady, consistent growth as we see strong demand for both our resilient endpoint and secure access platforms,” said Christy Wyatt, Absolute Software’s president and CEO. “As the global shift to hybrid and remote work

continues, more companies are migrating to endpoint-centric security strategies that include zero trust. We are well-positioned to continue to deliver profitable growth as the only endpoint security solution embedded into the firmware of over a half a billion devices, capable of enabling a highly optimized user experience.”

## What’s next for Absolute Software stock?

The second quarter saw Absolute Software stock reach 13.4 million [active](#) endpoints across the world. This was a 16% increase year over year. Furthermore, after its NetMotion acquisition, it was able to deliver the first combined product innovation. This meant the first self-healing Zero Trust platform for clients, including for students for better hybrid learning.

Absolute Software stock also created new partnerships that investors can look forward to in the next quarter. This included a distribution agreement with Nuvias to launch in Dubai. It also included extending the partnership with **Hewlett Packard Enterprise** to launch a retail bundle on QVC in North America.

Shares of Absolute Software continued to climb past 16% on Feb. 9. Shares are down 41% in the last year. It currently has a consensus target price of \$17.30, providing a potential upside of 55% as of writing.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. TSX:ABST (Absolute Software)

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