



## Is Blackline (TSX:BLN) Stock Worth Your Attention in 2022?

### Description

**Blackline Safety (TSX:BLN)** is a Calgary-based company that develops, manufactures, and markets worker safety monitoring products and services in Canada and around the world. The focus on worker safety has undergone a revolution over the past century. That has brought the services of a company like this into greater demand. Today, I want to discuss why this stock is worth your attention after its recent earnings release. Let's dive in.

### This micro-cap stock has been throttled over the past half year

Shares of Blackline have [plunged 49% in 2022](#) as of late-morning trading on June 27. The stock is down 65% in the year-over-year period.

Investors should be eager for exposure to the global workplace safety market. Last year, KBV Research released a report on the state of this space. It projected that the global safety workplace market would reach \$21.3 billion by 2026. That would represent a CAGR of 10% over the forecast period dating back to 2021.

### Is there reason for optimism after Blackline's recent earnings report?

This company released its second-quarter fiscal 2022 results on June 14. It achieved its 21st straight quarter of annual growth. Total revenue increased 43% year over year to \$16.7 million. Blackline posted 65% revenue growth in Canada and better than 50% growth in the United States and the rest of the world. However, its European sales suffered a drop in the year-over-year period. Better yet, it delivered annual recurring revenue growth of 24% to \$30.8 million.

Service margins came in at a very strong 70%. That said, Blackline has encountered some challenges due to the ongoing global supply chain crisis. Fortunately, its wearable sales products boast a very strong margin for its recurring service revenue. It expects service revenue growth to improve in the

second half of 2022, as it expects a better freight environment.

Blackline posted product revenue growth of 72% to \$7.9 million. The company's expanded sales network across North America and the European Union has paid off nicely in its recent quarters. It expects that the launch of its G6 product will disrupt the \$240 million annual zero-maintenance gas detection market. That product is set to launch in early July. Investors should watch its progress in the weeks ahead.

## Blackline: Is it a buy today?

Shares of this micro-cap Canadian stock currently possess an RSI of 24. That puts Blackline in technically oversold levels at the time of this writing. It is trading in attractive territory in comparison to its industry peers. Moreover, it is set to deliver strong revenue growth in the quarters to come. At the same time, investors will be eager to see more attractive earnings growth going forward. It is worth monitoring this stock to see if its recent product launches pay off as well as the company projects.

Blackline rose to an all-time high in the summer of 2021. It has suffered a steady decline over the past year, but its recent earnings have left room for optimism. This is a stock worth watching in 2022.

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