



# BlackLine

Expectation relative to market segment  
**Outperform**

Technology Segment  
Enterprise Applications

Ticker Exchange Bloomberg  
BL NASD NH NUC <GO>

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Strong performance in net-new customers and revenue growth through 2020 will likely continue as demand for SaaS solutions with proven track records grows.

### COMPANY

BlackLine is an American technology company that specializes in digitizing and automating businesses' close and consolidation processes. To this end, BlackLine offers several cloud-native solutions, including Account Reconciliations, Task Management, Transaction Matching, Journal Entry, Variance Analysis, among others. All applications are offered through a Software-as-a-Service (SaaS) model and are best suited for mid-sized to enterprise-scale organizations with complex accounting structures.

### MARKET

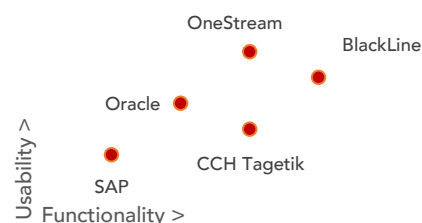
BlackLine is the leading vendor in account reconciliations for the enterprise market. Comfortably occupying this functionality niche, the vendor continues to attract businesses with diverse revenue sources, international operations, or multiple subsidiaries. With COVID-19 accelerating the migration off Excel and email processes, BlackLine's market position has remained stable. Large enterprises needed to support a workforce from a home-setting and had the capital to sustain their technology initiatives; thus, BlackLine has continued to grow its customer base and achieved double-digit revenue growth through the most challenging months of the pandemic.

### COMPETITION

Given BlackLine's narrow focus on close and consolidation, it mostly competes with smaller point solution vendors and indirectly with traditional Corporate Performance Management (CPM) software vendors. When it does compete head-on with CPM vendors, BlackLine often shares the shortlist with Oracle, OneStream, and CCH Tagetik. As businesses trend towards consolidating their IT ecosystems under fewer vendors, BlackLine will likely struggle with prospective customers that seek to undergo a comprehensive transformation of

Price 02/08/2021 \$152.00  
52 week range \$62.92 - \$152.00

### MARKET POSITION



### RELATIVE SOLUTION COST

SAP	105%
Oracle	100%
BlackLine	100%
OneStream	92%
CCH Tagetik	85%

Relative cost to a customer based on typical mid-sized deployments during the past 6 months.

### CUSTOMER PERCEPTION

> 95 Positive

Analyst estimate based on feedback from customers and prospects during the past 6 months

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their financial processes for budgeting, forecasting, and reporting activities. However, BlackLine has combated this by forming strategic integration partnerships with other CPM vendors, such as SAP and Workiva, to complement their offerings and lower its barrier to entry.

#### OUTLOOK

Nucleus has followed BlackLine closely over the last decade, conducting numerous case studies on end-users to calculate their technology investments' ROI. We found that the vendor has delivered consistent and positive returns for all use cases, industries, and company sizes. (Nucleus Research U220 – *BlackLine delivers consistent returns* – December 2020) Coupled with a proven track record in providing the latest financial close and consolidation capabilities, we believe BlackLine offers an attractive value proposition to customers hamstrung by back-office processes. With the economy opening back up, BlackLine will likely enjoy a host of greenfield opportunities as businesses proactively address technology gaps to remain agile and competitive. Nucleus expects BlackLine to lead the market in its proven and specialized approach to financial close and consolidation.