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Agilysys raises full-year guidance

Agilysys (NASDAQ:AGYS), the software solutions firm focused on the hospitality industry, was comfortably higher after lifting its revenue guidance for the year.

The uplift came on the back of a strong set of fiscal third quarter numbers that saw total net revenue rise 27% to a quarterly record of \$31.3mln in the final three months of 2015 from \$24.7mln the year before.

Recurring revenues comprised 48% of revenue, and advanced to \$14.9mln from \$13.9mln in the corresponding quarter of 2014.

The revenue rise appeared to come at the expense of margins, however, with the gross margin ebbing to 53% from 57% a year earlier.

Adjusted underlying earnings (EBITDA) were positive at \$0.6mln compared to a loss of \$0.3mln in the prior year, though at the post-tax level the company remained in the red, with a net loss of \$1.67mln compared to a loss of \$2.72mln in the corresponding period of 2014.

With numbers in for the first nine months of the year, the software company indicated that full-year revenue is likely to fall within the range of \$117mln - \$119mln, which represents an upgrade on previous guidance of \$110mln - \$112mln.

Agilysys said the full-year gross margin percentage should be somewhere in the mid-fifties while adjusted EBITDA is tipped to be more than twice fiscal 2015's level of \$1.2mln.

"Our strong third quarter results reflect continued growth in our market share as measured by the number of our installed point of sale end points and the number of hotel rooms managed by our property management systems. This market share growth included a 24% year-over-year increase in our subscription based revenues as well as continued solid demand for our traditional solutions," said James Dennedy, president and chief executive officer of Agilysys.

"In addition to the increases in our installed end points and rooms under management, we experienced solid growth in new customers, and more than 50% of these new customer wins in the quarter were subscription-based bookings. The average contract value of subscription-based bookings per new customer win more than tripled in the quarter, and through the first nine months of fiscal 2016 the total contract value of bookings of new subscription-based business is up nearly 90% compared to the year-ago period," Dennedy added.

The shares were up 7.2% in early trading.

Price: 18.92

Market Cap: \$447.59 m

1 Year Share Price Graph



April 2019 October 2019 April 2020

Share Information

Code: AGYS

Listing: NASDAQ

52 week	High	Low
	37.17	12.64

Sector:

Website: www.agilysys.com

Company Synopsis:

Agilysys is a hospitality solutions company where innovative technology solutions go hand-in-hand with service that's second to none. Whether you're serving hundreds of guests or thousands at a time, you succeed in hospitality because you know the value of a single relationship. So do we. We can help forge those relationships with your guests.

action@proactiveinvestors.com.au

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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