

RSI International Systems Inc.

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RSI International Systems says becoming operating free cash flow positive remains a priority

Toronto-listed RSI International Systems Inc (CVE:RSY) highlighted the progress it's made in its goal to become operating cash flow positive in the light of its second quarter results.

The group supplies a property management system, or 'PMS' to hotels and the hospitality industry.

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The technology can manage the cycle of a hotel's business - all the way from the initial online booking, to backroom administration, accounts and housekeeping.

Operating free cash flows are those that come from business activities not related to working capital management and financing.

Notably the firm has reduced its operating free cash flow deficit from negative \$519,039 in the second quarter of 2016 to a deficit of \$50,371 in the latest, second quarter this year.

RSI president and chief executive Tim Major said: "Although becoming operating free cash flow positive continues to be our top, near term priority, we are also working on a strategy to increase our recurring revenue through the introduction of incremental offerings that are complementary to our core RoomKeyPMS product.

"Our goal in this regard is to provide new, value-added tools to our existing and new customers, thereby improving our current relationships and broadening our overall market appeal".

Highlights from the second quarter results included a 14% increase in customer revenue to \$1.320mln compared to \$1.162mln in the same period last year, and underlying earnings of \$91,350 versus a loss of \$242,397 in the second quarter of 2016.

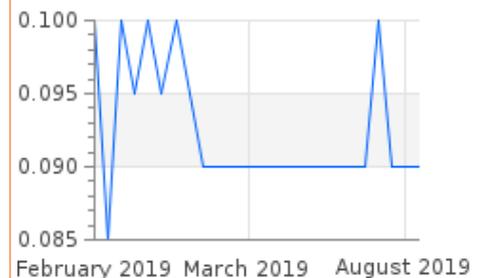
The firm's customer retention rate improved from 92% in the second quarter of 2016 to 93% in the second quarter of 2017.

The net loss for the period was \$52,856 narrowed considerably from a net loss of \$329,854 in the same period of 2016

The firm sold 63 new PMS properties during the first six months of 2017 compared to 58 in 2016 and this year's new sales have resulted in higher contracted revenue on a per sale basis.

"Management expects revenue to continue to grow during 2017 through growth in PMS sales along with increased transactional, training, service, and partner revenues," it added.

1 Year Share Price Graph



Share Information

Code: RSY
Listing: TSX-V
Sector: Software & services
Website: www.roomkeypms.com

Company Synopsis:

RSI International Systems Inc. 's (TSX-V: RSY) RoomKeyPMS ("property management system") is cloud-hosted software that makes running a modern hotel easier. By interfacing and connecting to disparate hospitality systems it helps hoteliers know more about their business and customers, so they can manage costs and increase revenues.

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Shares gained 5.56% in Toronto to stand at C\$0.19 each.

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