

Quantix Q1 FY11 Results Show Continued Growth in Recurring Revenues Streams

Submitted by: Quantix

Monday, 14 February 2011

Quantix (<http://www.quantix-uk.com>), the UK's premier provider of Application Managed Services (http://www.quantix-uk.com/Application_Managed_Services.aspx), Managed Cloud Services (http://www.quantix-uk.com/Managed_Cloud_Services.aspx) and Infrastructure Solutions (http://www.quantix-uk.com/Database_Technology1.aspx) to Enterprises, Value Added Resellers (VARs) and Independent Software Vendors (ISVs) has released its financial results for the first quarter of its 2011 financial year.

The results show that EBITDA recorded during the first quarter increased 14% year-on-year, representing continued success from its Managed Cloud Services and Enterprise Application Support business units. On a rolling 12 month basis, the run rate of EBITDA surpassed £2m – a record in the company's history. As a result, the business remains on track to record forecast EBITDA for the full year of circa £2.3m, a year-on-year increase of 17%.

Gross margin continued to remain high over this period, increasing 12% year-on-year; with 74% of total gross margin generated from its annuity revenue base the theme of strong, expanding client relationships looks set to continue.

The contract base totalled circa £8m at the end of the quarter. Managed Cloud Services (http://www.quantix-uk.com/Managed_Cloud_Services.aspx) comprised £1.6m of this total, an increase of over 50% compared to 6 months ago, with further growth beyond £2.3m expected by the end of the first half of this financial year. Contract sales were also strong within Quantix's core business, Managed Services for Oracle (http://www.quantix-uk.com/Oracle_Support_Oracle_Managed_Services.aspx) & Microsoft technologies (<http://www.quantix-uk.com/SQL-Server-Managed-Services.aspx>).

Major new business announcements during the first quarter include:

- 3 year Managed Cloud Hosting agreement with Kwik-Fit Financial Services;
- A multi-year Software-as-a-Service (SaaS) win in the healthcare sector along with its partner IDBS
- A further 10 Oracle and SQL Server Managed Service Contracts were won across its target commercial sectors.

"We're delighted with such a strong start to the year and our financial results come in tandem with significant developments with a number of key partners," explains Managing Director Richard Salmon, "This includes collaboration with IDBS in delivering SaaS solutions to a number of healthcare and pharmaceutical enterprises; with Oracle in the areas of Cloud Services, particularly Exadata and Exalogic; and also with Avnet in respect of a joint SaaS enablement programme for ISVs in the mid-market. In addition to these partnerships, we continue to make considerable improvements to our technical and commercial processes to enhance the services delivered to our clients and to ensure the highest standards possible."

Financial Results Q1 FY11 Summary

Forecast profit FY11:£2.3m (17% year-on-year growth)
FY11 Profit year-to-date: £480,000 (14% year-on-year growth)
FY11 gross margin year-to-date: £1.3m (12% year-on-year growth)
Quality of earnings: 74% of margin from recurring contracts
Contract Base: £8m (£1.6m from Cloud Services)

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