

Rosslyn Data Technologies PLC

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Rosslyn seeing significant sales growth as evidenced by latest contract win

Rosslyn Data Technologies PLC (LON:RDT) expects underlying earnings (EBITDA) to be positive in the second half of the current fiscal year.

In its results statement covering the half-year to the end of October, the company revealed its revenue declined to £3.12m from £3.53m in the same period of last year, reflecting the strategic decision to eschew low-margin business. The gross margin improved to 81.2% from 78.4% in the first half of the previous year.

The top-line may have headed south slightly but since the end of the reporting period sales growth has been significant, resulting in a 25.5% increase in the contract revenue backlog to £6.4m from £5.1m at the beginning of May last year.

Annual recurring revenue carried forward increased by 18.8% to £6.0m from £5.0m a year earlier.

The loss before income tax widened slightly to £1.0m from £841,000 the previous year while the operating loss before interest, tax, depreciation and amortisation narrowed to £155,000 from a loss the previous year of £213,000.

Rosslyn ended the period with £499,000 of cash following the draw-down of a £500,000 loan and the repayment of loans during the period of £722,000.

As well as turbo-charging the sales drive the group has been able to keep a cap on costs by integrating new technologies and robotic process automation, giving management the confidence to predict EBITDA will be positive in the November 2019 to end-April 2020 period.

Rosslyn said the second half of the current financial year has begun well with a number of new contract wins, including one announced today.

New contract win

In a separate statement on Tuesday, Rosslyn revealed that it been short-listed as the preferred vendor in the US, UK and Europe for potential new contracts that cover several market segments and applications that are new to the company.

The contract win announced today was with a global manufacturer and distributor of building materials. The five-year contract has a value of €1.0m and covers the provision of procurement and supply chain analytics solutions to more effectively manage costs, compliance and risks.

"This win again demonstrates our ability to win clients in competitive processes across various industry sectors, and the confidence clients have in Rosslyn and our products by willing to commit for significant lengths of time," said Roger Bullen, the chief executive officer of Rosslyn.

Price: 6.75

Market Cap: £22.94 m

1 Year Share Price Graph



February 2019 September 2019 February 2020

Share Information

Code: RDT

Listing: AIM

52 week High Low
7.9999 2.625

Sector: Software & services

Website: www.rosslynanalytics.com

Company Synopsis:

Rosslyn Analytics is a leading global "data tech" company that is recognized for its new approach to helping organizations create business value from previously inaccessible data. We have developed exciting award-winning technologies designed specifically for all business users to easily access and turn complex data into meaningful information.

action@proactiveinvestors.com

"We remain confident that, supported by strong contracted revenue visibility and new business momentum, we will continue to build on the solid progress and foundations laid," Bullen said.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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