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Very good 1st quarter of 2019 in Atende Group

In the 1st quarter of 2019, Atende Group performed much better than in the 1st quarter of the previous year. Owing to a 30% year-on-year increase in sales that amounted to PLN 74,112 thousand, a gross profit on sales of PLN 17,778 thousand was generated, higher by 18% than in the first quarter of 2018. With the general and administrative costs remaining on a similar level, Atende Group reported an improvement in operating result (profit of PLN 2,204 thousand, compared to a loss of PLN 35 thousand in the previous year), EBITDA (profit of PLN 5,600 thousand, up by 187% y/y) and net result (profit of PLN 1,228 thousand, compared to a loss of PLN 123 thousand in the 1st quarter of 2018).

The main reason for the good result is the business of the parent company. Atende registered an increase in gross profit on sales by 42% y/y (PLN 10,350 thousand), which with a slight increase (3% y/y) in the general and administrative costs, contributed to a significant improvement in net result (profit of PLN 997 thousand, compared with a loss of PLN 825 thousand in the previous year). On the other hand, among subsidiaries, Sputnik Software, Atende Medica and Atende Software had the most significant positive impact on the results.

“The IT market is characterised by seasonality of sales and typically lower revenue in the 1st quarter. The achieved good result of Atende, therefore, gives us hope for good sales results in the following quarters,” says the President of Atende SA Roman Szwed.

In the 1st quarter of 2019, Atende Group’s sales in all reported sectors were higher than in the previous year. The highest revenue (PLN 27.7 million) and the biggest increase (by 54%) as compared to the same period of the previous year were recorded for customers of the telecommunication and media sector. The good result is attributable, among others, to the execution by Atende of projects based on the key specialisation connected with the expansion of the infrastructure for data transmission for mobile operators, including LTE technology. The sale of the subscription service based on an own solution for settlements and billing of IP services was also important. Among the subsidiaries, significant was the developed cooperation of Atende Software, among others, with TVN S.A., and further cooperation with P4 sp. z o.o. (operator of the Play network). Development of the network infrastructure during this period made it possible for Atende to handle record traffic related to the distribution of multimedia content, reaching 430 Gbit/sec. in peaks.

Equally important in the 1st quarter of this year was the revenue of Atende Group from the public sector customers, which increased by 15% y/y and amounted to PLN 26.2 million. The greatest influence on this result had projects implemented by Atende for the Ministry of National Defence (total revenue in the 1st quarter of 2019: PLN 5.9 million) as well as the modernisation and implementation of new solutions and e-services of the Nationwide 112 ICT Network for the Polish Police Headquarters (PLN 9.3 million). It is also worth mentioning a new project executed by Sputnik Software: “e-services between the Vistula and Kampinos – part 1” (with the gross value of PLN 4.9 million). Additionally, Atende Medica signed an agreement on the development of e-Health services in the Psychiatric Hospital in Węgorzewo (worth PLN 2 million gross). The company also completed two projects for the Bielański Hospital in Warsaw, with a total gross value of PLN 1.2 million, concerning the implementation of an innovative queue system and e-services.

In the 1st quarter of 2019, sales of Atende Group to the financial sector’s customers, which are practically entirely generated by Atende, increased by 56% as compared to the same period of the previous year and amounted to PLN 9.5 million. The most important was sales to banks, among others, the extension of a virtual infrastructure at a bank (PLN 5.0 million).

Sales to customers in the industry, trade and services sector, including energy, increased (by 5%) from the previous year and amounted to PLN 10.7 million. This increase in sales is mainly attributable to the implementation of a number of projects by Atende, the largest of which concerned the extension of an ICT network infrastructure (PLN 1.5 million). Special attention should be paid to the software for an intelligent gas meter developed by Phoenix Systems in cooperation with Apator Metrix as well as execution by A2CC of a framework agreement on support services and development of customer systems in the gas sector (as part of a 3-year agreement).

“We are consequently striving for an increase in sales in all market sectors,” underlines President Szwed. *“In the first quarter of this year we managed to achieve this goal. However, we expect that the industry, trade and services sector, including*

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energy, will this year bring significantly increasing revenue due to the visible growth related to the need to intensify the sector's digitisation process. It is worth noting that 6 subsidiaries of Atende Group have interesting products aimed at implementing digital innovations in the energy sector."