



Announcement no. 13/2013

# INTERIM REPORT FOR THE FOURTH QUARTER OF 2012/13

(THE PERIOD 1 JULY 2013 TO 30 SEPTEMBER 2013)

# HIGHLIGHTS

## RTX MEETS THE RAISED EXPECTATIONS ANNOUNCED FOR THE FINANCIAL YEAR AND RECOMMENDS DIVIDEND OF DKK 0.50 PER SHARE AND ACQUISITION OF TREASURY SHARES OF DKK 12 MILLION.

The Supervisory Board of RTX A/S has today considered and adopted the Group's annual report and interim report for the fourth quarter of the financial year 2012/13 (the period 1 July 2013 to 30 September 2013).

### THE FINANCIAL YEAR 2012/13 FOR THE RTX GROUP

- Group revenue amounts to DKK 241.5 million in 2012/13, which was an increase of DKK 50.2 million equivalent to 26.3% compared to last year. Both business units in RTX achieved considerable growth in revenue:
  - Enterprise & VoIP increased by DKK 36.9 million equivalent to a growth in revenue of 35.7%. This increase was driven by long-term supply agreements pointing forward with major international players in the IP DECT market.
  - Design Services increased by DKK 13.0 million equivalent to a growth in revenue of 15.1%. Compared to last year the increase in revenue is to some extent driven by a considerable order for test equipment from a major US customer.
- The gross margin was reduced from 59.9% to 57.5% as a consequence of the significant increase in revenue of physical products sold with a lower gross margin than the company's engineering services.
- Capacity costs (staff costs and other external costs in the profit and loss account) was on par with last year despite the increase in revenue.
- Operating profit (EBIT) developed very satisfactorily from DKK 2.5 million in 2011/12 to DKK 14.4 million in 2012/13.
- Based on the positive future prospects for RTX Management has in accordance with IFRS activated tax assets of DKK 19.0 million, which have influenced the year's result and total income positively. The profit after tax for the year 2012/13 amounted to a historically high level for RTX of DKK 32.6 million.
- The Group's total cash flow developed very positively from negative DKK 18.8 million in 2011/12 to DKK 33.9 million in 2012/13.
- In the financial year 2012/13 RTX has acquired treasury shares for DKK 11.5 million.
- The Supervisory Board recommends to the shareholders at the General Assembly in January 2014 a dividend of DKK 0.50 per share, and that the General Assembly authorizes the company to acquire treasury shares at a total nominal value of DKK 12 million.
- As per today RTX has entered a market maker agreement with Danske Bank, who will act as market maker in RTX's share at NASDAQ OMX Copenhagen A/S. Danske Bank will continuously provide a purchase and selling price for RTX's share. The purpose of this agreement is to improve the liquidity of RTX's share at NASDAQ OMX Copenhagen A/S and support a transparent price.

### PROSPECTS FOR THE FINANCIAL YEAR 2013/14

In the business unit Enterprise & VoIP we expect continued growth in the coming year based on already launched products and signed contracts. Furthermore, we expect that RTX in cooperation with the major Enterprise customers can continue the launch of new handset variants, contributing to the future growth.

In the business unit Design Services we expect a minor decrease in revenue in 2013/14 compared to 2012/13. Despite a huge focus on exploiting the market opportunities for the test system RTX 2300, we do not expect the product to reach the same turnover in 2013/14 on the short term as in the recent financial year.

As a consequence of the expected change in the mix of the turnover between the business units, we expect a reduction in the gross margin in the coming year. Ongoing improvements in efficiency have become a way of working in RTX, and therefore we will also in the coming year continue to optimize the value chain.

With this background Management expects turnover in the range of DKK 250-270 million, EBIT in the range of DKK 18-24 million and EBITDA in the range of DKK 26-32 million for the financial year 2013/14.

#### HIGHLIGHTS IN THE GROUP'S INTERIM REPORT FOR THE FOURTH QUARTER OF 2012/13

- Group revenue amounts to DKK 63.9 million in the fourth quarter of 2012/13 compared to DKK 47.0 million in the same period last year. The increase in revenue of 36% is the result of growth in both business units. In Design Services revenue increased from DKK 20.7 million in the fourth quarter of 2011/12 to DKK 26.3 million in the fourth quarter of 2012/13 equivalent to an increase in revenue of 27.1%.
- In Enterprise & VoIP revenue increased in the fourth quarter of 2011/12 from DKK 25.8 million to DKK 37.0 million in the fourth quarter of 2012/13, equivalent to an increase in revenue of 43.4%.
- The Group's gross margin improved to 58.3% in the fourth quarter of 2012/13 compared to a gross margin of 56.6% in the same period last year.
- Operating profit/loss (EBIT) amounts to DKK 4.2 million in the fourth quarter compared to negative DKK 1.7 million in the same period last year.
- The Group's total cash flow amounts to DKK 8.1 million in the fourth quarter compared to negative DKK 8.3 million in the same period last year.

Revenue and profit for the fourth quarter of 2012/13 have developed slightly better than Management's expectations as announced in the interim report for the third quarter of 2012/13.

Yours sincerely  
RTX A/S

Jens Alder  
*Chairman*

Flemming Hynkemejer  
*President & CEO*

Questions and further information: President & CEO Flemming Hynkemejer, tel. +45 96 32 23 00.

#### MEETING FOR INVESTORS AND ANALYSTS

On 9 December 2013 at 9.00 am RTX A/S will hold a meeting for investors and analysts at Danske Bank Markets. At this meeting the company's management will comment on the Group's annual report for 2012/13 and the expectations for the next financial year. Registration for the meeting is via email to [equities.events@danskebank.dk](mailto:equities.events@danskebank.dk).

#### STATEMENTS ABOUT THE FUTURE

The above statements on the Group's future conditions including in particular future revenue and operating profit/loss (EBIT) reflect the management's current expectations and are subject to risks. These statements might be influenced by a number of risks and uncertainty factors, and consequently, the actual development might be different from the expectations indicated. These risks and uncertainty factors include – but are not limited to include – a number of factors such as general business and financial conditions, dependence on co-operators, delivery time of components, integration of acquired enterprises as well as exchange rate and interest rate fluctuations.

# GROUP FINANCIAL HIGHLIGHTS AND KEY RATIOS

(NOT AUDITED)

Amounts in million DKK	Q4 2012/13	Q3 2011/12	1 Oct 12- 30 Sept 13	1 Oct 11- 30 Sept 12
<b>INCOME STATEMENT ITEMS</b>				
Revenue	63.9	47.0	241.5	191.3
Gross profit	37.3	26.6	138.8	114.6
Operating profit/loss (EBIT)	4.2	-1.7	14.4	2.5
EBITDA	6.3	0.4	22.1	8.9
Net financials	-1.4	-0.2	-1.6	0.0
Profit/loss before tax	2.7	-1.9	12.8	2.5
Profit/loss from continuing operations	22.9	-2.3	32.6	1.9
Profit/loss from discontinued operations	0.0	0.0	0.0	0.0
Profit/loss for the period	22.9	-2.3	32.6	1.9
<b>BALANCE SHEET ITEMS</b>				
Cash and current assets investments	70.8	47.7	70.8	47.7
Total assets	250.5	212.4	250.5	212.4
Equity	176.3	156.3	176.3	156.3
Liabilities	74.2	56.0	74.2	56.0
<b>OTHER KEY FIGURES</b>				
Development costs financed by RTX before capitalization	5.0	8.6	24.0	37.2
Depreciation, amortization and impairment	2.1	2.1	7.7	6.4
Cash flow from operations	14.0	-7.3	32.1	-8.2
Cash flow from investments	-0.3	-0.7	14.6	-9.2
Investments in property, plant and equipment	0.4	0.5	0.9	1.2
Increase/decrease in cash and cash equivalents	8.1	-8.3	33.9	-18.8
<b>KEY RATIOS</b>				
Growth in revenue (percentage)	36.0	-25.6	26.3	-6.6
Profit margin (percentage)	6.5	-3.6	6.0	1.3
Return on invested capital (percentage)	3.0	-1.3	10.7	2.2
Return on equity (percentage)	13.5	-1.0	19.6	4.1
Equity ratio (percentage)	70.4	73.6	70.4	73.6
<b>EMPLOYMENTS</b>				
Average number of full-time employees	158	170	158	168
Revenue per employee (DKK '000)	405	277	1,528	1,138
Operating profit/loss per employee (DKK '000)	27	-10	91	15
<b>SHARES</b>				
Average number of shares in circulation ('000)	8,973	9,289	8,973	9,289
Average number of diluted shares ('000)	9,796	10,235	9,796	10,235
<b>SHARE DATA, DKK PER SHARE AT DKK 5</b>				
Profit/loss for the period (EPS)	0.5	-0.2	3.6	0.2
Profit/loss for the period, diluted (DEPS)	0.4	-0.2	3.3	0.2
Dividends	0	0	0	0
Equity value	20.6	16.8	20.6	16.8
Listed price	19.8	11.3	19.8	11.3

Note: The Group's financial year runs from 1 October to 30 September.

Definitions of the key ratios used are stated in the annual report for 2012/13 in the accounting policies.

# STATEMENT BY THE MANAGEMENT

The Supervisory Board and the Executive Board have today considered and adopted the interim report of RTX A/S for the fourth quarter of the financial year 2012/13 (covering the period 1 July 2013 to 30 September 2013).

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and further Danish disclosure requirements for interim reporting for listed companies. The interim report has not been audited or reviewed by the Company's auditor.

We consider the applied accounting policies appropriate for the interim report to provide, in our opinion, a true and fair view of the Group's assets, liabilities and financial position at 30 September 2013 and of its financial performance and cash flows for the fourth quarter of 2012/13.

We consider Management's review to give a true and fair view of the Group's activities and finances, profit/loss for the period and the Group's financial position as a whole, as well as a true and fair description of the most material risks and uncertainties facing the Group.

Noerresundby, 6 December 2013

## EXECUTIVE BOARD

Flemming Hynkemejer  
*President & CEO*

## SUPERVISORY BOARD

Jens Alder  
*Chairman of the Board*

Peter Thostrup  
*Deputy Chairman*

Jens Hansen

Jesper Mailind

Karsten Vandrup

Jørgen Dalby-Jakobsen  
*Employee representative*

Rune Strøm Jensen  
*Employee representative*

# GROUP INCOME STATEMENT

(NOT AUDITED)

Amounts in DKK '000	Note	Q4 2012/13	Q4 2011/12	1 Oct 12- 30 Sept 13	1 Oct 11- 30 Sept 12
Revenue	3	63,934	47,021	241,488	191,264
Value of own work transferred to assets	4	-	3,030	1,242	12,540
Costs of sales etc.		-26,682	-20,381	-102,692	-76,670
Other external costs		-6,972	-8,601	-27,106	-30,558
Staff costs		-23,991	-20,685	-90,752	-87,733
Depreciation, amortization and impairment	4	-2,106	-2,065	-7,746	-6,353
<b>Operating profit/loss (EBIT)</b>		<b>4,183</b>	<b>-1,681</b>	<b>14,434</b>	<b>2,490</b>
Financial income	5	48	133	299	1,096
Financial expenses	5	-1,497	-338	-1,940	-1,057
<b>Profit/loss before tax</b>		<b>2,734</b>	<b>-1,886</b>	<b>12,793</b>	<b>2,529</b>
Tax of profit/loss for the period		20,177	-412	19,847	-638
<b>Profit/loss for the period after tax</b>		<b>22,911</b>	<b>-2,298</b>	<b>32,640</b>	<b>1,891</b>
Profit/loss from discontinued operations		-	-	-	-
<b>Profit/loss for the period</b>		<b>22,911</b>	<b>-2,298</b>	<b>32,640</b>	<b>1,891</b>
<b>Profit/loss per share (EPS)</b>					
Profit/loss for the period (DKK)		0.5	-0.2	3.6	0.2
Profit/loss for the period, diluted (DKK)		0.4	-0.2	3.3	0.2

# GROUP CASH FLOW STATEMENT

(NOT AUDITED)

Amounts in DKK '000	Q4 2012/13	Q4 2011/12	1 Oct 12- 30 Sept 13	1 Oct 11- 30 Sept 12
Operating profit/loss (EBIT)	4,183	-1,681	14,434	2,490
<b>Reversal of items with no effect on cash flow</b>				
Depreciation, amortization and impairment	2,106	2,065	7,746	6,353
Other items with no effect on cash flow	-692	544	-633	-2,121
<b>Change in working capital</b>				
Change in inventories	318	-3,121	2,964	-8,712
Change in receivables	-1,241	1,736	-8,805	14,343
Change in trade payable etc.	9,976	-4,454	17,542	-18,180
<b>Cash flow from operations</b>	<b>14,650</b>	<b>-4,911</b>	<b>33,248</b>	<b>-5,827</b>
Financial income received	48	133	299	1,096
Financial expenses paid	-1,497	-338	-1,940	-1,057
Income taxes paid	778	-2,191	448	-2,417
<b>Cash flow from operations</b>	<b>13,979</b>	<b>-7,307</b>	<b>32,055</b>	<b>-8,205</b>
Acquisition of development projects	-	-3,030	-1,242	-12,540
Acquisition of tangible assets	-354	-455	-878	-1,235
Acquisition of other long-term assets	23	18	346	-398
Reimbursements, development projects	-	2,768	4,412	4,973
Proceeds from sale of short-term asset investments (over 3 months)	-	-	11,928	-
<b>Cash flows from investments</b>	<b>-331</b>	<b>-699</b>	<b>14,566</b>	<b>-9,200</b>
Instalment of/repayment of long-term liabilities	-323	-294	-1,273	-1,358
Acquisition of treasury shares	-5,255	-	-11,465	-
<b>Cash flows from financing activities</b>	<b>-5,578</b>	<b>-294</b>	<b>-12,738</b>	<b>-1,358</b>
<b>Change in cash and cash equivalents</b>	<b>8,070</b>	<b>-8,300</b>	<b>33,883</b>	<b>-18,763</b>
Cash and cash equivalents of the period, net	27,918	10,405	2,105	20,868
<b>Cash and cash equivalents at the end of the period, net</b>	<b>35,988</b>	<b>2,105</b>	<b>35,988</b>	<b>2,105</b>
Cash and cash equivalents at the end of the period, net consist of:				
Cash at bank and in hand	35,988	5,657	35,988	5,657
Bank debt	-	-3,552	-	-3,552
<b>Cash and cash equivalents at the end of the period, net</b>	<b>35,988</b>	<b>2,105</b>	<b>35,988</b>	<b>2,105</b>

# NOTES

## 1. ACCOUNTING POLICIES

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, and further Danish disclosure requirements for interim reporting for listed companies. An interim report has not been prepared for the Parent.

The accounting policies applied in this interim report are consistent with those applied in the Company's annual report for 2012/13, which was presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We refer to the annual report for 2012/13 for a more detailed description of the accounting policies.

The applied accounting policy is unchanged compared to the annual report for 2012/13. New or amended standards and interpretations becoming effective for the financial year 2012/13 have no material impact on the interim report.

## 2. ESTIMATES AND ASSUMPTIONS

The preparation of interim reports requires management to make financial estimates and assumptions that affect the application of accounting policy and recognized assets, obligations, income and expenses. Actual results might be different from these estimates.

The material estimates that management makes when applying the accounting principles of the Group, and the material uncertainty connected with these estimates and assumptions are unchanged in the preparation of the interim report compared to the preparation of the annual report as per 30 September 2013.

## 3. GROUP REVENUE

Amounts in DKK '000	Q4 2012/13	Q4 2011/12	1 Oct 12- 30 Sept 13	1 Oct 11- 30 Sept 12
<b>Business segments</b>				
Design Services	26,305	20,695	98,986	86,023
Enterprise & VoIP	36,986	25,781	140,018	103,147
Non-allocated items	643	545	2,484	2,094
<b>Total</b>	<b>63,934</b>	<b>47,021</b>	<b>241,488</b>	<b>191,264</b>
<b>Geographical segments</b>				
Denmark	1,503	2,002	8,823	12,027
Other Europe	32,230	29,939	138,128	109,143
Asia and Australia	5,640	4,498	17,434	19,231
North- and South America	23,732	9,679	73,528	46,857
Africa	829	903	3,575	4,006
<b>Total</b>	<b>63,934</b>	<b>47,021</b>	<b>241,488</b>	<b>191,264</b>

Revenue is broken down by geographical areas according to the customer's geographical location.



# NOTES

## 4. GROUP DEVELOPMENT COSTS

Amounts in DKK '000	Q4 2012/13	Q4 2011/12	1 Oct 12- 30 Sept 13	1 Oct 11- 30 Sept 12
Development costs before capitalization	5,013	8,630	24,022	37,225
Capitalized costs	-	-3,030	-1,242	-12,540
Amortization and impairment losses on development projects	1,453	1,105	5,125	3,763
Development costs recognized in the profit and loss account	6,466	6,705	27,905	28,448

## 5. GROUP FINANCIAL ITEMS

Amounts in DKK '000	Q4 2012/13	Q4 2011/12	1 Oct 12- 30 Sept 13	1 Oct 11- 30 Sept 12
Interest income	45	5	283	789
Exchange rate gains, net	-	-	-	179
Other financial income	3	128	16	128
Financial income	48	133	299	1,096
Interest costs	-66	-94	-306	-477
Exchange rate loss, net	-1,215	-116	-1,093	-
Other financial costs	-216	-128	-541	-580
Financial expenses	-1,497	-338	-1,940	-1,057

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