

# Announcement

Til Nasdaq Copenhagen A/S and the press

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## **Annual Report 2017/18**

(the period 01.10.2017 - 30.09.2018)

### **Solid revenue and profit growth for the year**

WITH REFERENCE TO THE GROUP'S FINANCIAL FIGURES FOR THE FULL YEAR 2017/18

In 2017/18, RTX delivered Group revenue of DKK 475 million equivalent to an increase of 10% as compared to last year's revenue of DKK 434 million. Both business units contributed positively to revenue growth, with Business Communications reaching DKK 325 million, a DKK 35 million or 12%, increase over last year. Revenue growth in Business Communications originated from VOIP business area, which grew revenue by DKK 40 million to DKK 189 million. Design Services reached total revenue of DKK 150 million, growing the business by DKK 6 million or 4% compared to last year. Revenue growth predominantly originated from customer financed projects as well as customized modules. Most regions contributed positively to revenue growth with Asia and Pacific and the US growing by DKK 41 million and DKK 12 million respectively. Growth was predominantly driven by existing customers and to some extent by new customers across both business units.

Gross profit amounted to DKK 265 million, an increase of DKK 26 million over last year. Cost of sales was up by 8% to DKK 211 million for a gross margin of 56% in 2017/18 compared to 55% last year. The positive development was based on a focused effort on value upgrade of existing customers in both business units, despite the growing demand for and increasing lead times on key electronic components.

RTX continued to invest in headset and handsets in Business Communications and in various modules in Design Services. A continued high level of R&D activities during the year reflects the strategic decision to develop products in-house to further strengthen our position within unified communications.

EBITDA amounted to DKK 83 million in 2017/18 as compared to DKK 77 million in 2016/17 reflecting an increase of 8%. EBITDA increased during the year attributable to the higher realized revenue.

EBIT amounted to DKK 75 million in 2017/18 as compared to DKK 72 million last year corresponding to an increase of 4%.

Cash flows from operations amounted to DKK 96 million compared to last year's DKK 47 million, reflecting a higher operating profit and favorable developments in payables that were to some extent offset by the unfavorable developments in receivables due to the timing of sales in Q4.

Based on the positive results of 2017/18, the strong capital structure of RTX and Management's expectations for the future, the Board of Directors proposes a dividend of DKK 2.00 per share be adopted at the Annual General Meeting in January 2019.

Management is currently exploring further growth opportunities and accordingly the Board is not recommending to effectuate a new share repurchase program. However, the Board continuously evaluate the company's capital structure to ensure the needed short-term flexibility, while securing the long-term shareholder value.

#### **OUTLOOK FOR THE 2018/19 FINANCIAL YEAR**

Combined with the continuing investment in a broader product portfolio and technology platform, Management expects revenue of DKK 520-550 million, EBITDA of DKK 85-100 million and operating profit (EBIT) of DKK 65-80 million, as especially EBIT will reflect an increased investment level supporting the defined strategic directions of RTX. The above outlook is based on the assumption that especially the market-sensitive macroeconomic elements across the globe will remain stable at the current level and conditions, meaning that RTX's current business environment will remain intact, including specifically the USD/DKK exchange rate.

RTX A/S

**PETER THOSTRUP**

Chairman

**PETER RØPKE**

CEO

#### ***Investor and analysts meeting***

*On Friday, 30 November 2018 at 9 am, RTX will hold a meeting for investors and analysts at ABG Sundal Collier, Forbindelsesvej 12, 2100 Copenhagen. At this meeting, the Company's management will comment on the Annual Report for 2017/18. To register for the meeting, please e-mail [ABGSCEvents-Copenhagen@abgsc.dk](mailto:ABGSCEvents-Copenhagen@abgsc.dk).*

#### ***Enquiries and further information:***

*CEO Peter Røpke, tel +45 96 32 23 00*

*RTX's homepage: [www.rtx.dk](http://www.rtx.dk)*