

Progress Software back to profit in 2Q, sales up

The Associated Press

Business software maker Progress Software returned to profit in its fiscal second quarter as it pared losses from a unit it's selling and revenue from software licenses grew.

The company's sales outlook for the current quarter fell short of Wall Street's prediction, but its shares rose \$2.06, or 9.3 percent, to \$24.11 in aftermarket trading. The stock is up 5 percent this year.

Net income in the quarter through May 31 came to \$3.9 million, or 7 cents per share. In the same period a year ago, Progress Software posted a loss of \$1.9 million, or 3 cents per share. Excluding results from the division it's selling, Apama, the cost of paying employees in stock and other one-time items, earnings were unchanged at 27 cents per share. That bested analysts' consensus estimate of 22 cents.

Revenue from continuing operations rose 10 percent to \$81.7 million. Analysts polled by FactSet predicted \$79 million. The company got a boost from software licenses sales, which grew 43 percent to \$29.3 million.

Based in Bedford, Mass., Progress Software's products are intended to help companies manage their "cloud" and mobile platforms. Cloud computing refers to storing software and data on remote servers that can be accessed from Internet-connected devices. It has been selling off other divisions that it doesn't consider part of its core business. The Apama sale is expected to close in July.

The company said Wednesday that it is benefiting from better marketing and several deals closed sooner than expected.

For the current quarter, Progress Software expects revenue to grow 2 to 4 percent — about \$76 million to \$77 million. Analysts predicted stronger growth, at \$78.9 million.

Progress also said it plans to buy back up to an additional \$100 million of its stock by the end of the year.

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