

PRESS CUTTINGS

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Eckoh eyes substantial US growth as sales surge

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Eckoh's US sales are soaring

Secure payments group Eckoh PLC (LON:ECK) saw revenues surge in its latest half year driven by the US, which is expected soon to become its largest market.

Revenues climbed by 57% to £13.5m in the six months to 30 September, with the US operation chipping in £4m from almost nothing.

Nick Philpot, chief executive, added growth in the US is such that it will soon become a larger sales generator than the UK.

“It is in the US where the exciting opportunity for exceptional growth exists, as the market for contact centre operations is more than seven times larger than the UK and competition for secure payments is very limited. “

He was also upbeat for the remainder of the year.

“Taking into account the contracts we have already won so far this year, the excellent near-term sales pipeline and the closure of the loss-making division of PSS, we are anticipating a strong second half”.

Eckoh had flagged already that costs of integrating the two US acquisitions last year would mean flat interim profits.

Gross profit rose to £8.8m but there was a £0.6m loss from a discontinued part of one of the US acquisitions, PSS.

Costs of switching to a SaaS (pay as you use rather than a licence) model, also hit the bottom line, with underlying profits flat at £2m and a £170,000 pre-tax loss (£74,000 profit).

Eckoh, though, traditionally is more profitable in the second half due to seasonal factors with higher second half volumes in travel, retail and logistics and full year results will be in line with market expectations, Philpot added

” We continue to expect the UK operation to grow but we are therefore confident that our US business will grow significantly in the foreseeable future”.