

18 March 2016

Concurrent Technologies Plc
(the "Company" or the "Group")

Results for the year ended 31 December 2015

Concurrent Technologies Plc (AIM: CNC), a world leading specialist in the design and manufacture of high-end embedded computer products, for critical applications in the defence, aerospace, transportation, telecommunications, scientific and industrial markets, announces results for the year to 31 December 2015.

Financial Highlights

- Turnover increased by 33.6% to £17.1m (2014: £12.8m)
- EBITDA increased by 40.0% to £4.2m (2014: £3.0m)
- Profit before Tax increased by 58.8% to £2.7m (2014: £1.7m)
- Cash in business plus deposits increased by 5.4% to £5.9m (2014: £5.6m)
- EPS increased by 66.2% to 3.79 pence (2014: 2.28 pence)
- Dividend increased by 5.56% to 1.90 pence per share for the year (2014: 1.80 pence)

Operational Highlights

- Continued success of sales associated with telecommunications base station test equipment using AMC architecture.
- 84% growth in sales of products associated with scientific applications.
- 25% improvement in VPX™ architecture product sales mainly for defence applications.
- 7 new high performance processor boards, featuring the latest technology including 4th generation Intel® Core™ processors, low power Intel® Atom™ processors and latest Intel® Xeon® processors.
- Launch of GPU (Graphics Processing Unit) accelerator board to augment AMC boards.
- Investment in new equipment for manufacturing.

Michael Collins, Chairman, commented:

"We are a key supplier of Intel based technology to many major international companies and our products are used in a wide range of ever more sophisticated and high-reliability computer systems. While the outlook for the current worldwide economic climate is not clear, our core business is relatively resilient and there are many opportunities to introduce our highly innovative technology to new customers. We will continue our investment in R&D to ensure a constant expansion of our range of advanced technology products and thereby enhance our competitive position."

"Our objective remains to design more innovative products for complex, high technology, low to medium volume and high margin applications, including versions for use in harsh environments. Work has already started on the next generation of high performance processor boards and we continue to advance the capabilities of these products with new and complementary software and firmware packages providing security and high-speed data transfers together with simple integration."

"Sales in the first quarter of 2016 have been excellent and our current order book indicates a strong first half year performance."

Annual General Meeting

The annual general meeting of Concurrent Technologies Plc will be held at the Company's offices at 4 Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, on 19 May 2016 at 2:30pm.

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Extracts from the Strategic Report

Review of Operations

The Group achieved excellent results in 2015, with record sales of £17.07m (2014: £12.81m) and profit before tax of £2.73m (2014: £1.72m). Earnings per share were 3.79 pence (2014: 2.28 pence).

The Group EBITDA (measured as Operating Profit plus Depreciation and Amortisation) for 2015 was £4.17m (2014: £3.00m). The gross margin for the year was 50.6% (2014: 51.2%).

The successful sales of AMC architecture computers for telecommunications test equipment in 2014 continued into 2015 and overall sales for telecommunications applications grew by 45%. In 2015, there was also continued growth of sales associated with scientific applications, particularly for physics research projects, which have increased by 84%. In addition, sales for defence related applications grew by 27% as compared to 2014, mainly due to increased revenues from the USA. Exports increased by 24% as compared to 2014.

We continued to increase our investment in R&D from £2.76m in 2014 to £3.05m in 2015, of which £2.20m was capitalised (2014: £2.09m).

The Group continues to have no borrowings. We have again paid increased dividends during the year and our cash balances plus short to medium term cash deposits at the year-end improved to £5.87m (2014: £5.62m).

Operational Highlights

Seven new high performance embedded computers were released during the year, featuring the latest technology processors including the new generation Intel[®] Xeon[®] processors. As well as providing the latest high performance and low power units across all of our architectures for new applications and new customers, these computer boards also allow for practical upgrade paths for our existing long life cycle customers. In addition to these main computer boards, we also released further accessory boards to supplement the functionality of our main products providing, for example, faster and easier network connectivity and additional data storage.

During the year we launched our first GPU (Graphics Processing Unit) accelerator board or accelerator engine which offers a very high level of parallel processing to augment the processing capability of our current Intel[®] processor based AMC boards. Typical GPU accelerated computing applications include video transcoding, wireless test and infrastructure, image analysis and recognition, ISR (Intelligence, Surveillance and Reconnaissance), high speed physics experiments, simulations and encryption/decryption, where size, modularity, environmental requirements and power consumption make it impractical to use standard server based equipment.

There has also been continuing growth (25% in the year under review) in sales for our VPX™ architecture boards, which are mainly used in defence and surveillance related applications, including unmanned vehicles.

Due to the increase in production volumes, we acquired an additional pick-and-place module early in 2015, for the very fast placement of common components on boards. This has helped to speed up production throughput and avoid capacity issues.

Future Plans

We are a key supplier of Intel based technology to many major international companies and our products are used in a wide range of ever more sophisticated and high-reliability computer systems. While the outlook for the current worldwide economic climate is not clear, our core business is relatively resilient and there are many opportunities to introduce our highly innovative technology to new customers. We will continue our investment in R&D to ensure a constant expansion of our range of advanced technology products and thereby enhance our competitive position.

Our objective remains to design more innovative products for complex, high technology, low to medium volume and high margin applications, including versions for use in harsh environments. Work has already started on the next generation of high performance processor boards and we continue to advance the capabilities of these products with new and complementary software and firmware packages providing security and high-speed data transfers together with simple integration.

Sales in the first quarter of 2016 have been excellent and our current order book indicates a strong first half year performance.

Dividend

The Board has declared a second interim dividend of 1.20 pence per share (2014: 1.15 pence) which when added to the first interim dividend of 0.70 pence per share (2014: 0.65 pence) will make a total of 1.90 pence per share for the year (2014: 1.80 pence). This is an increase of 5.56% on dividends paid for 2014. The total cost of this second interim dividend will amount to £870,942. As in previous years, the Directors do not intend to recommend a final dividend. In order to account for the Easter holidays and to allow for our dividend payment to be scheduled as normal, the London Stock Exchange has agreed that the ex-dividend date for the final dividend is 29 March 2016 and the associated record date is 30 March 2016; the dividend payment date is 5 April 2016.

Annual General Meeting

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All companies and product names are trademarks of their respective organisations.

Consolidated Statement of Comprehensive Income

	Year to 31 December 2015	Year to 31 December 2014
	£	£
CONTINUING OPERATIONS		
Revenue	17,073,829	12,806,315
Cost of sales	8,437,564	6,247,748
Gross profit	8,636,265	6,558,567
Operating expenses	5,945,140	4,892,800
Group operating profit	2,691,125	1,665,767
Finance income	42,292	58,079
Profit before tax	2,733,417	1,723,846
Tax	(21,351)	76,148
Profit for the year	2,754,768	1,647,698

Other Comprehensive Income

Items that will be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations	62,918	90,539
Tax relating to components of other comprehensive income	-	-
Other Comprehensive Income for the year, net of tax	62,918	90,539
Total Comprehensive Income for the year	2,817,686	1,738,237
Profit for the period attributable to:		
Equity holders of the parent	2,754,768	1,647,698
Total Comprehensive Income attributable to:		
Equity holders of the parent	2,817,686	1,738,237
Earnings per share		
Basic earnings per share	3.79p	2.28p
Diluted earnings per share	3.79p	2.28p

Consolidated Balance Sheet

	As at 31 December 2015 £	As at 31 December 2014 £
ASSETS		
Non-current assets		
Property, plant and equipment	690,357	608,044
Intangible assets	6,307,044	6,018,931
Deferred tax assets	129,647	73,440
	7,127,048	6,700,415
Current assets		
Inventories	3,774,285	2,699,658
Trade and other receivables	2,520,573	2,790,426
Current tax assets	284,419	307,912
Other financial assets	1,000,000	-
Cash and cash equivalents	4,873,815	5,624,505
	12,453,092	11,422,501
Total assets	19,580,140	18,122,916
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	1,305,237	1,279,852
Long term provisions	9,968	7,314
	1,315,205	1,287,166
Current liabilities		
Trade and other payables	2,411,524	2,500,524
Short term provisions	31,987	33,922
Current tax liabilities	-	665
	2,443,421	2,535,111
Total liabilities	3,758,626	3,822,277
Net assets	15,821,514	14,300,639
EQUITY		
Capital and reserves		
Share capital	739,000	739,000
Share premium account	3,693,818	3,693,818
Capital redemption reserve	256,976	256,976
Cumulative translation reserve	78,641	15,723
Profit and loss account	11,053,079	9,595,122

Equity attributable to equity holders of the parent	15,821,514	14,300,639
Total equity	15,821,514	14,300,639

Consolidated Cash Flow Statement

	Year to 31 December 2015 £	Year to 31 December 2014 £
Cash flows from operating activities		
Profit before tax for the period	2,733,417	1,723,846
Adjustments for:		
Finance income	(42,292)	(58,079)
Depreciation	224,778	178,059
Amortisation	1,254,083	1,160,940
Impairment loss	690,201	450,000
Profit on disposal of property, plant and equipment (PPE)	(1,334)	-
Share-based payment	26,192	6,279
Exchange differences	86,711	29,060
Increase in inventories	(1,074,627)	(149,102)
Decrease in trade and other receivables	269,853	83,928
Increase/(decrease) in trade and other payables	(88,371)	563,828
Cash generated from operations	4,078,611	3,988,759
Tax (paid)/received	48,956	284
Net cash generated from operating activities	4,127,567	3,989,043
Cash flows from investing activities		
Interest received	42,292	58,079
Cash released from/(placed) on Deposit	(1,000,000)	2,602,689
Purchases of property, plant and equipment (PPE)	(305,874)	(303,816)
Proceeds from sale of PPE	1,500	-
Capitalisation of development costs and purchases of intangible assets	(2,231,637)	(2,161,809)
Net cash used in investing activities	(3,493,719)	195,143
Cash flows from financing activities		
Equity dividends paid	(1,343,141)	(1,257,305)
Issue of Ordinary shares	-	300,001
Purchase of treasury shares	(15,461)	-
Net cash used in financing activities	(1,358,602)	(957,304)
Effects of exchange rate changes on cash and cash equivalents	(25,936)	56,764
Net increase/(decrease) in cash	(750,690)	3,283,646
Cash at beginning of period	5,624,505	2,340,859
Cash at the end of the period	4,873,815	5,624,505

Consolidated Statement of Changes in Equity

	Share capital £	Share premium £	Capital redemption reserve £	Cumulative translation reserve £	Profit and loss account £	Total Equity £
Balance at 1 January 2014	727,000	3,405,817	256,976	(74,816)	9,212,552	13,527,529
Profit for the period	-	-	-	-	1,647,698	1,647,698
Exchange differences on translating foreign operations	-	-	-	90,539	-	90,539
Total comprehensive income for the period	-	-	-	90,539	1,647,698	1,738,237
Transactions with owners:						
Share-based payment	-	-	-	-	6,279	6,279
Deferred tax on share based payment	-	-	-	-	(14,102)	(14,102)
Dividends paid	-	-	-	-	(1,257,305)	(1,257,305)
Issue of Ordinary shares	12,000	288,001	-	-	-	300,001
Balance at 31 December 2014	739,000	3,693,818	256,976	15,723	9,595,122	14,300,639
Profit for the period	-	-	-	-	2,754,768	2,754,768
Exchange differences on translating foreign operations	-	-	-	62,918	-	62,918
Total comprehensive income for the period	-	-	-	62,918	2,754,768	2,817,686
Transactions with owners:						
Share-based payment	-	-	-	-	26,192	26,192
Deferred tax on share based payment	-	-	-	-	35,599	35,599
Dividends paid	-	-	-	-	(1,343,141)	(1,343,141)
Purchase of Ordinary shares	-	-	-	-	(15,461)	(15,461)
Balance at 31 December 2015	739,000	3,693,818	256,976	78,641	11,053,079	15,821,514

NOTES

1. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group'). The financial information set out in these preliminary results has been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by European Union. The accounting policies adopted in this results announcement have been consistently applied to all the years presented and are consistent with the policies used in the preparation of the statutory accounts for the period ended 31 December 2014. The consolidated financial information is presented in sterling (£), which is the company's functional and the Group's presentation currency.
2. The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2015 or 2014, but is derived from those accounts. Statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered following the Annual General Meeting. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not contain statements under section 498(2) or (3) of the Companies Act 2006 in respect of 2014 or 2015 and (iii) did not draw attention to any matters by way of emphasis.
3. The calculation of basic earnings per share is based on the weighted average number of Ordinary

Shares in issue during 2015 of 72,594,150 (2014: 72,278,298) allowing for any adjustment made as a consequence of the Company having issued no Ordinary Shares during 2015 (2014: 1,200,000) and on the profit after tax for 2015 of £2,754,768 (2014: £1,647,698). The calculation of diluted earnings per share incorporates nil Ordinary Shares (2014: 11,992) in respect of performance related employee share options. The profit after tax is the same as for basic earnings per share.

4. The annual general meeting of Concurrent Technologies Plc will be held at the Company's offices at 4 Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, on 19 May 2016 at 2:30pm.

Copies of the Annual Report will be sent to Shareholders and will also be available from the Company's Registered Office: 4, Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, UK, and on the Company's website: www.cct.co.uk.

This information is provided by RNS
The company news service from the London Stock Exchange

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