

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Checkpoint Systems Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Bob Labick with CJS Securities.

Torin Eastburn - CJS Securities

Hello. Good morning. Congratulations on a strong quarter.

Ray Andrews

Thanks, Bob.

Rob van der Merwe

Thanks, Bob.

Torin Eastburn - CJS Securities

This is Torin Eastburn filling in for Bob. I was hoping you could give us guys -- give us an update on the Alpha integration and the potential sales synergies you see there. I don't know if you've identified any new accounts or cross-selling opportunities that you can speak to us about.

Rob van der Merwe

Well, as I indicated, I think that Alpha does open new doors for us. Checkpoint's historical footprint as a result of AM technology dominating in apparel has resulted in us not exploiting those markets as strongly as we would've liked. We're seeing them open doors in the apparel sector, which is exciting, and I think by virtue of the growth path that they've been able to demonstrate, the innovations and unique products that they continuously come out with. I would just expect that trend to continue. As I indicated and as Ray indicated, we expect results from Alpha to continue building sequentially quarter to quarter reflecting what's sitting inside the order book, which is very positive. And more than that, I probably wouldn't want to comment on. I can provide you more color as each quarter occurs.

Torin Eastburn - CJS Securities

Okay, great. Thank you. And, my second question relates to your free cash this year. Do you have any sort of more S3 type acquisitions on the horizon and if so, what would the criteria or goals there be? Are you targeting any geographies or products specifically?

Ray Andrews

Well, on the area of acquisitions, other than some very small, immaterial ones related to what we're doing in banking in the Southeast region, we don't have anything currently in sight, but we see something that matches with Rob's overall strategy that he's been working on. As that evolves, if that's an opportunity, we'll seriously look at it.

Torin Eastburn - CJS Securities

All right, great. And lastly, with the launch of Evolve, what are your target customers saying and kind of what has the reception been? And maybe if you could speak a little bit on the economics of that product on prices or margins, that would be great also.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.