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CAM Commerce Solutions F1Q06 (Qtr Ending Dec 31, 2005) Earnings Conference Call Transcript (CADA)

Earnings Call Excerpt

CAM Commerce Solutions Inc.
First Quarter 2006 Results Conference Call
February 14, 2006

Operator:

Ladies and Gentlemen, thank you for standing by. Welcome to the CAM Commerce Solutions First Quarter 2006 Results Conference Call. During the presentation, all participants will be in a listen-only mode. Afterwards, you will be invited to participate in a question and answer session. At that time, if you have a question, you will need to press star, one on your telephone. As a reminder, this call is being recorded.

I would now like to turn the conference call over to Matthew Hayden of Hayden Communications. Please go ahead.

Matthew Hayden:

Thanks very much. I would like to take a moment to thank everyone for joining us today for CAM Commerce Solutions First Quarter Fiscal 2006 Earnings Conference Call. Today's call will be hosted by Geoff Knapp, Chairman and CEO, as well as Paul Caceres, the company CFO.

Before we get started, I'm going to review the Safe Harbor Statement. Our call today may contain certain projections or other forward-looking statements within the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995 that reflect management's expectations and assumptions regarding future results or events. We caution you that these statements are based on currently available information and remain subject to a number of factors that can cause actual results to develop materially from those projected in these statements. For additional information concerning the factors that could cause actual results to differ materially from those projected, we refer you to the company's filings with the SEC which includes both 10-K and 10-Qs.

In addition, after the formal remarks, Geoff will open the floor to Q&A to the participants on the call.

Now at this time, I would like to turn the call over to Geoff Knapp. Geoff, the floor is yours.

Geoff Knapp:

Thanks Matt. Thank you for joining us today. I'm Geoff Knapp the CEO and founder of CAM Commerce Solutions. With me is our Chief Financial Officer, Paul Caceres. I'll provide an overview

and highlights from our Fiscal First Quarter Results, then I'll turn the call over to Paul for a more detailed look at the financial results. After this, I will return and provide an outlook for the business and we will be happy to answer any questions that we can.

I'll start with our record profits. In the first quarter, we earned a profit before-tax of \$1,180,000, which was a record 17% pre-tax profit margin. Our net profit after-tax increased 85% over the same quarter last year to 741,000 or \$0.18 versus \$0.10 per share. Our positive results continue to be driven by the performance of our X-Charge payment processing business which saw revenues grow 85% over last year to just under \$2.6 million.

I think the general trend is that their check gets bigger and they see more value in it. They look for more ways to move it faster. But having said that, I really can't say that there is that trend beyond, there's probably 15-20 core resellers who produce a lot of volume who continue to do that and there's a whole bunch more coming up. And as I said before, sales cycles are really long, surprisingly long, getting people going so that's why I still think we're still at the beginning with a lot of this. We have a lot more room to go with a lot of these resellers. There's only probably 10% of them that we would look at them and say that ?that person can't produce significantly more volume than they are today.

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