

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

NIC Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. We'll now begin the question-and-answer session. (Operator instructions) One moment please. And the first question on this call is from the line of Chad Bennett with Northland Securities. Please go ahead.

Chad Bennett – Northland Securities

Yes, hi. Good afternoon.

Harry Herington

Good afternoon, Chad.

Steve Kovzan

Hi, Chad.

Chad Bennett – Northland Securities

Hey, just a couple of questions, first, Steve, maybe a quick one for you. Can you give me, I know you provide this in your Q, same-state portal cost of goods sold growth?

Steve Kovzan

Same-state? Sure, one second. Same-state, for the quarter we are at 20%.

Chad Bennett – Northland Securities

Okay. And just follow-up question to that, we've been kind of running COGS, the growth rate on the COGS line on the portal side has been exceeding kind of revenue growth I guess even if you look at it from absolute revenue growth or on a same-state basis for a few quarters here I think?

Steve Kovzan

Right.

Chad Bennett – Northland Securities

Maybe only a couple, obviously you want that reversed, is there anything going on there we should know about or anything extraordinary.

Steve Kovzan

Yes, and I alluded to it in my comments earlier. On a sequential basis, so from the third quarter to the fourth quarter of this year bank fees in the form of credit card fees contributed to about \$600,000 of growth in cost of portal revenues from the third quarter to fourth quarter this year, due to the launch of that application in Alabama. So that was really – that's the primary driver there. And, so, you know, we're going to have that certainly from time to time as we launch some of these larger applications that are paid for with credit cards.

Chad Bennett – Northland Securities

I guess maybe I'm naïve, aren't credit card fees kind of a pretty common thing and should we see more and more of this in our non-D, as a mix in our non-DMV apps or am I just technology savvy and ahead of my time?

Steve Kovzan

Did you say ?are they pretty common??

Chad Bennett – Northland Securities

Yeah.

Steve Kovzan

Yeah, I mean, absolutely, they've been a growing component of the cost base of the company for quite some time. This quarter we just happened to have a particularly large application launch that really drove credit card expense there, unusually large as compared to, you know, our typical non-DMV application that uses credit cards.

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