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CA, Inc. F1Q10 (Qtr End 06/30/09) Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you very much. (Operator instructions) First up, from JP Morgan, we have a question from John DiFucci. Please go ahead.

John DiFucci – JP Morgan

Thank you. John, you have been putting up good numbers here for a while now, which I guess is good as testament to the execution of your team here. We know renewal rates have been improving, which certainly helps. I guess two things here, one, what were renewal rates for the quarter and also looking forward, you talked a lot about – on the products side about the future and it all does make sense as it comes together, but today, when I talk to people out in the field, they always throw out acronyms and the only two they throw right now are ROI and TCO. And so they are really looking at things that can help them just manage more efficiently today versus a vision of the cloud tomorrow.

I was just wondering if you could talk a little bit about what CA has to offer today. I know you have put together I think a pretty impressive team under the product development side of CA and perhaps just tell us a little bit about how you are addressing what is needed out there today.

John Swainson

Sure. Let me answer the short piece first. I mean, the renewal rates are, as I indicated I think in our last call, we expected them to be declining to the low 90s, that is where they were this quarter. There was one anomalous situation, but other than that, we are very happy with the way the renewal portfolio – the way the portfolio is being renewed, sorry I said that clumsily.

Now, onto the more complex question, there is no doubt about the fact that customers have taken a very tactical view of purchasing over the last six to nine months. And they have bought things where they could see a very quick payback and things that have a longer-term benefit, even if they were incredibly strategic, have been deferred. We are seeing some change in that, John, we continue to see – you know, our Wily product does very well in terms of fast time to value. It continues to be our strong – the strongest product in our portfolio.

But we are starting to now see some of the more strategic products ticking back in again. So, for example, our Clarity family of products did quite well this quarter and project and portfolio management is sometimes viewed as a more strategic investment by customers. Our infrastructure management and service management products both did well. Our mainframe family of products did well.

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