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Ebix Announces Record First Quarter Results

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Ebix, an international supplier of On-Demand software and E-commerce services to the insurance industry, on Friday reported record financial results for the first quarter of 2010. The results marked the highest revenue, net income and diluted EPS in any one-quarter that the company has reported in its thirty-four year history.

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Ebix delivered the following results for its first quarter, fiscal year 2010:

Revenues: Total Q1 2010 revenue was \$31.6 million, an increase of 53% on a year-over-year basis, as compared to Q1 2009 revenue of \$20.7 million.

Channel Revenues: The Exchange channel grew 90% year over year to \$22.9 million or 72% of the Q1 revenues. The BPO channel grew 4% year over year, to \$3.5 million or 11% of the Q1 revenues. The Broker Channel grew 19% year over year, to \$2.9 million or 9% of the Q1 revenues. The Carrier channel dropped 17% year over year, to \$2.3 million or 8% of the Q1 revenues.

Customers: The Company also announced the signing of contracts with named key accounts like

Sun Life, Universal Life, US Bank, Ameriprise, American General Life, National Western Life, Principal Financial Group, Metlife, Bechtel, Sea World, Lockton, Hillard Lyons, Port Authority of NY/NJ and AVIS etc. This list of names is a sample representation of contracts signed by the Company in the first quarter of 2010.

Implementation Pipeline: The Company also announced that some of the other material contracts signed previously in the Q4 of 2009 are still in implementation mode and thus did not generate any transaction Exchange revenues in Q1 of 2010. Some of these named accounts in implementation mode at present are Bank of America, Wells Fargo, Fidelity, Marsh, Disney Consumer Products, John Hancock, Bechtel, and Genworth etc. This is in addition to all the new contracts signed by Ebix in the first quarter of 2010, which are also in the implementation pipeline now.

Net Income: Q1 2010 net income was \$12.4 million, an increase of 49% on a year-over-year basis, as compared to Q1 2009 net income of \$8.3 million.

Earnings per Share: Q1 2010 diluted earnings per share rose 38% year-over-year to \$0.32, as compared to \$0.23 in the first quarter of 2009. For purposes of the Q1 2010 EPS calculation, there was an average of 39.3 million diluted shares outstanding during the quarter, as compared to 37.1 million diluted shares outstanding in Q1 of 2009.

Expenses: The Company's operating expenses for the quarter grew by 53 percent to \$18.9 million as compared to \$12.3 million for the first quarter of 2009.

Margins: The Q1 2010 operating margins at 40% were consistent with our margins in Q1 of 2009.

Key Initiatives: The Company announced that it is pursuing certain key revenue generating initiatives towards increasing its expanse and market share in the On-Demand insurance services sector. Some of these key initiatives expected to be deployed this year are –

- Development of an Exchange to handle servicing of an Annuity policy in the US
- Development of an Exchange to handle portability of an Annuity policy across multiple carriers in the US
- Life Insurance Exchange for E-policy Delivery with Para-med exams, e-signatures etc. in the US and Canada
- Deployment of Exchanges in the Latin American Markets
- Deployment of On-Demand cloud computing infrastructure in Latin America to provide Property & Casualty Insurance Company Systems on a utility services basis across multiple insurance companies
- Development of an ambitious Enterprise wide system code-named GR8 to provide a state of the art On-Demand Backend system for Health, Employee Benefits, Life, Enrollment, Billing, and Accounting etc.

Acquisition Pipeline: The Company believes that at its present income rate, it expects to generate cash flows of approximately \$50 million over the next 12 months. This is in addition to the Company's present cash balances of \$23.5 million as of 3rd May 2010. The Company intends to reinvest this cash towards supporting further organic growth and making accretive complementary acquisitions in the short and long-term. Some of the areas in which the Company is pursuing acquisition opportunities are as follows –

- Health and Employee Benefits area, to position the Company well to maximize its opportunities in lieu of the Health Reform in the US.
- P&C Exchanges, to establish Ebix in certain key markets like the US & Latin America
- Compliance Exchanges that allow us to enter new markets like Exchanges for mutual funds, SEC and FINRA Compliance for Bank Assurance, Insurance Companies etc.
- Reinsurance Exchanges across the world.

Ebix chairman, president & CEO Robin Raina added, “We are pleased to report record revenues, income and EPS in Q1 of 2010. This was a good quarter for us in terms of winning certain key accounts named above. We believe that we are uniquely positioned today as an end-to-end enterprise services player for the insurance industry. That end-to-end strategy has not been emulated by any Company in the insurances software services industry worldwide providing us a lead of at least a few years to gain the early mover advantage worldwide.”

Robin added, “We have a choice of growing Ebix aggressively or growing Ebix aggressively but sensibly. Ebix can either choose the path of high growth with low 10-15% operating margins or the path of sensible growth with 40% or more of operating margins. We prefer to do the latter and thus remain focused on working towards our goal of Annualized Revenue run rate of \$200 Million by Q4 of 2011, with 40% or more in operating margins. Doing that, while ensuring Ebix’s 70% plus recurring revenue streams and minimal customer attrition rates is not likely to be easy. We believe that if we are able to achieve or beat all these goals by Q4 of 2011, we would have created a new benchmark in terms of operating cash flows, for the On-Demand sector in the United States.”



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Cloud Expo 2010 West, November 1-4, Santa Clara Convention Center, Santa Clara, California will feature technical sessions from a rock star conference faculty and the leading Cloud industry players in the world.

The growth and success of Cloud Computing will be on display at the upcoming [Cloud Expo](#) conferences and exhibitions in Prague June 21-22 and Santa Clara November 1-4.

The recent Cloud Expo at the Javits Center in New York City was the largest Cloud Computing conference ever produced, more sponsors, exhibitors and delegates than all other Cloud events of the year combined!



[The four-day Santa Clara event will attract more than 6,000 delegates from 48 countries and over 200 sponsors and exhibitors on a 120,000 sq ft show floor, larger than Cloud Expo 2010 East, New York City event!](#)

All main layers of the Cloud ecosystem will be represented in the 6th and 7th International Cloud Expo - the infrastructure players, the platform providers, and those offering applications, and they'll all be here to speak, sponsor, exhibit and network.

"Cloud Expo was announced on February 24, 2007, the day the term 'cloud computing' was coined," said [Fuat Kircaali](#), founder and chairman of SYS-CON Events, Inc. "Cloud has become synonymous with 'computing' and 'software' in two short years, and this event has become the new PC Expo, Comdex, and InternetWorld of our decade. By 2012, more than 50,000 delegates per year will be attending Cloud Expo."



Sponsorship Opportunities for Cloud Expo Prague and Santa Clara

Cloud Expo 2010 Europe and Cloud Expo 2010 West "show prospectus" have shipped. Sponsorship, exhibit, and keynote opportunities can be obtained from [Carmen Gonzalez](#) by email at events (at) sys-con.com, or by phone 201 802 3021.

Early Bird Registration Options for Cloud Expo Prague and Santa Clara

[Cloud Expo](#) delegates can pre-register for the [Cloud Expo Europe](#) with €550+ savings [here](#) and for [Cloud Expo West](#) with \$800+ savings [here](#).

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