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Technology roundup

South Florida's Technology Firms Ride Out the Recession

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South Florida's public technology companies are showing signs of ramping up. While third quarter earnings were a mixed bag for Citrix Systems, Ultimate Software, MasTec and SBA Communications, these businesses have reason to look forward to better days.

"The good news that they all equally share is that they have very solid recurring revenue streams," said Stephen Dunn, a technology analyst with Jesup & Lamont in Fort Lauderdale. "They've done a good job of riding out the recession."

South Florida's largest technology company, Fort Lauderdale-based Citrix Systems (NASDAQ: CTXS), said revenue for the third quarter ended Sept. 30 was \$401 million, up from \$399 million in the prior-year period.

Net income for the quarter was \$53 million, up from \$49 million a year ago.

"We feel really good about how we've operated in a touchy environment and positioned ourselves for the future," President and CEO Mark Templeton said during an earnings call.

As companies continue to seek ways to reduce IT spending, they will look to Citrix, which makes virtualization software, he said.

The company expects fourth quarter net revenue to rise between 3 percent and 4 percent, year-over-year.

Ultimate Software (NASDAQ: ULTI) reported a net loss of \$500,000, an improvement from a loss of \$3.1 million for the prior-year period. Despite the loss, the Weston-based human resources software company reported a 10 percent jump in revenue for the third quarter, to \$48.2 million from \$43.9 million in the prior-year period.

During the quarter, Ultimate repurchased 263,000 shares of stock for \$7.2 million.

For the full year, the company predicted total revenue would increase by about 10 percent over 2008.

Technology infrastructure companies reported some positive news, too.

MasTec said its third quarter net income dropped 10 percent, to \$21.6 million from \$24.1 million in the same quarter last year. But, revenue for the Coral Gables-based provider of telephone, cable, fuel, electric and alternative energy infrastructure (NYSE: MTZ) was down only a fraction, to \$397.2 million from \$397.7 million in the prior-year period.

MasTec had a strong quarter, despite tight credit markets and the delayed implementation of federal stimulus programs that would benefit the company, President and CEO Jose Mas told investors during a conference call. MasTec is well positioned for the future, with stimulus-related revenue expected to materialize and a push into new businesses, he said. The company should see substantial revenue gains in the second half of 2010, Mas noted.

SBA Communications also stands to benefit from stimulus funds for broadband Internet initiatives, as well as growing wireless usage, Dunn said.

That's positive for the Boca Raton-based owner and operator of wireless communication towers (NASDAQ: SBAC), even as it reported a net loss of \$50.1 million in the third quarter, down from a loss of \$27.6 million in the prior year period. And, SBA said revenue increased 17.4 percent, to \$139.3 million from \$118.7 million in the prior-year period.

At the end of the quarter, SBA said it owned 8,085 towers and six distributed antenna system networks, and managed an additional 5,200 actual or potential communication sites.

For the full year, SBA predicts revenue of \$550.1 million to \$554.1 million. It reported \$475 million in revenue in 2008.

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