

12 May 2015

BATM Advanced Communications Limited
(“BATM” or “the Group”)

Trading and Business Update

BATM Advanced Communications Limited (LSE: BVC), a leading provider of real-time technologies for networking solutions and medical laboratory systems, provides the following update on trading for the four month period ended 30 April 2015.

As stated at the time of the full year results on 10 March 2015, the momentum experienced at the end of 2014 continued into 2015, especially in the Bio-Medical division, as expected.

Within the Bio-Medical division, the Diagnostics business moved into profitability for the first time in its history. This was due to the sales of reagents increasing by 100% compared with the equivalent period last year. Additionally, it experienced a growth in sales of reagents that were produced in-house, which also contributed to improved margins. The Group’s management expects the Diagnostics business to continue to grow and remain profitable for the full year 2015. In the Pathogenic Waste Treatment Sterilisation and Distribution businesses, as well as Diagnostics, management expects performance for the first half of 2015 to be better than in the first half of 2014.

The Telecom division continued to wind down the legacy products business, which was offset by increased sales in IP products as the division remained focused on the new strategy of concentrating on Tier 1 clients, SDN (Software Driven Networks) and NFV (Network Functions Virtualization). Consequently, sales in this division were marginally ahead of management’s expectations. The cyber business continued to attract increased interest and grew four-fold, albeit from a small base, over the equivalent period last year. The Group continues to maintain tight cost control in this division and has reduced operating expenses by 14% compared with the same period last year, and expected to deliver improved results in 2015 over 2014.

The Group’s financial performance continued to be impacted by movements in foreign currencies, particularly of the Moldavian lei, Euro and Romanian Ron against the US Dollar. Whilst this had an effect of reducing revenues in its reporting currency, there was immaterial impact on operating profit because expenses are mostly in the same currency as revenues – and also due to reduced expenses.

As a result of the above, combined with the initial visibility of the forthcoming quarters, the Board feels confident of delivering improved results in 2015 compared with 2014, with good growth momentum going forward.

Enquiries

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