ASETEK – Q1 2014 Improved margins and continued data center order inflow

April 24, 2014 – Revenues increased by 10% over first quarter last year, driven by continued progress on a data center retrofit contract with the U.S. Department of Defense. Overall gross margin improved by 3.5 percentage points, reflecting a proactive approach to optimizing the offered product mix, as well as cost savings achieved with certain component suppliers. The company received two new orders for RackCDU in the first quarter 2014.

Revenues came in at $5.4 million, up from $4.9 million in the first quarter 2013. Operating profits from the desktop segment were $1.1 million, in line with the $1.1 million in the same period last year. Operating losses from the datacenter segment were also level with last year's results at $1.3 million. Data center spending reflects continued investments in development and marketing in the segment. Asetek shipped 106,000 patented sealed liquid cooling units in the first quarter.

"The continued order inflow for RackCDU shows us that the market adaption of Asetek's product is developing. We also received an order for an end user who uses the RackCDU in its daily operations, and is purchasing additional units. That's a great product validation," says André Eriksen CEO of Asetek. "On the financial side, I am satisfied with the margin improvement we have achieved, and also pleased to see that revenues came in with growth according to plan".

Asetek will give a presentation today at 08:30 CET which can be followed through a webcast. CEO André Eriksen and CFO Peter Dam Madsen will represent the company.

The webcast can be accessed on http://webtv.hegnar.no/presentation.php?webcastId=19246836.

Questions can be submitted through the online webcast during the presentation.

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