

TECHVISION SOLUTIONS INC.

Quarterly Financial Statement

For the Three Months Ended September 30, 2024

(Unaudited - All amounts in USD thousands, except per share data)

Company Name:	TechVision Solutions Inc.
Ticker Symbol:	TVSI
Reporting Period:	Q3 2024 (July 1 - September 30, 2024)
Fiscal Year:	2024
Industry Sector:	Technology - Enterprise Software
Report Date:	October 25, 2024

CONSOLIDATED STATEMENT OF INCOME

	Q3 2024	Q3 2023	Q2 2024
Revenue:			
Product Revenue	\$48,250	\$42,180	\$46,920
Service Revenue	\$31,420	\$27,650	\$30,180
Subscription Revenue	\$52,840	\$45,920	\$51,220
Total Revenue	\$132,510	\$115,750	\$128,320
Cost of Revenue:			
Product Costs	\$18,540	\$17,220	\$18,090
Service Costs	\$15,280	\$13,940	\$14,720
Subscription Costs	\$11,350	\$10,180	\$11,020
Total Cost of Revenue	\$45,170	\$41,340	\$43,830
Gross Profit	\$87,340	\$74,410	\$84,490
Gross Margin	65.9%	64.3%	65.8%
Operating Expenses:			
Research & Development	\$24,680	\$21,340	\$23,920
Sales & Marketing	\$28,450	\$25,180	\$27,640
General & Administrative	\$12,230	\$10,890	\$11,850
Total Operating Expenses	\$65,360	\$57,410	\$63,410
Operating Income	\$21,980	\$17,000	\$21,080

Operating Margin	16.6%	14.7%	16.4%
Other Income (Expense):			
Interest Income	\$1,240	\$890	\$1,150
Interest Expense	(\$2,180)	(\$2,340)	(\$2,210)
Other Income, net	\$320	\$180	\$290
Total Other Income (Expense)	(\$620)	(\$1,270)	(\$770)
Income Before Income Taxes	\$21,360	\$15,730	\$20,310
Income Tax Expense	\$4,910	\$3,620	\$4,670
Net Income	\$16,450	\$12,110	\$15,640
Net Margin	12.4%	10.5%	12.2%
Earnings Per Share:			
Basic EPS	\$0.82	\$0.61	\$0.78
Diluted EPS	\$0.80	\$0.59	\$0.76
Weighted Average Shares Outstanding:			
Basic	20,061	19,852	20,051
Diluted	20,563	20,508	20,579

CONSOLIDATED BALANCE SHEET

ASSETS	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023
Current Assets:			
Cash and Cash Equivalents	\$82,450	\$76,320	\$68,940
Short-term Investments	\$45,280	\$42,150	\$38,720
Accounts Receivable, net	\$58,640	\$54,230	\$49,850
Inventory	\$12,340	\$11,890	\$10,520
Prepaid Expenses	\$6,850	\$6,420	\$5,880
Other Current Assets	\$4,120	\$3,890	\$3,540
Total Current Assets	\$209,680	\$194,900	\$177,450
Non-Current Assets:			
Property, Plant & Equipment, net	\$42,680	\$41,230	\$38,920
Intangible Assets, net	\$28,450	\$29,120	\$31,240
Goodwill	\$124,580	\$124,580	\$124,580
Long-term Investments	\$18,920	\$16,450	\$14,680
Deferred Tax Assets	\$8,340	\$7,980	\$7,220
Other Non-Current Assets	\$11,250	\$10,840	\$9,980
Total Non-Current Assets	\$234,220	\$230,200	\$226,620
TOTAL ASSETS	\$443,900	\$425,100	\$404,070
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts Payable	\$18,450	\$17,230	\$15,840
Accrued Expenses	\$24,680	\$23,150	\$21,340
Deferred Revenue	\$48,920	\$45,680	\$41,250
Current Portion of Long-term Debt	\$12,000	\$12,000	\$12,000
Other Current Liabilities	\$8,340	\$7,920	\$7,180
Total Current Liabilities	\$112,390	\$105,980	\$97,610
Non-Current Liabilities:			
Long-term Debt	\$88,000	\$94,000	\$106,000
Deferred Tax Liabilities	\$6,280	\$6,120	\$5,840
Other Non-Current Liabilities	\$9,450	\$8,920	\$8,240
Total Non-Current Liabilities	\$103,730	\$109,040	\$120,080
Total Liabilities	\$216,120	\$215,020	\$217,690
Shareholders' Equity:			
Common Stock	\$201	\$201	\$199

Additional Paid-in Capital	\$142,580	\$138,920	\$128,450
Retained Earnings	\$87,940	\$71,490	\$58,920
Accumulated Other Comprehensive Loss	(\$2,941)	(\$531)	(\$1,189)
Total Shareholders' Equity	\$227,780	\$210,080	\$186,380
TOTAL LIABILITIES AND EQUITY	\$443,900	\$425,100	\$404,070

CONSOLIDATED STATEMENT OF CASH FLOWS

	Q3 2024	Q3 2023	Q2 2024
Operating Activities:			
Net Income	\$16,450	\$12,110	\$15,640
Adjustments to reconcile net income:			
Depreciation and Amortization	\$4,280	\$3,920	\$4,150
Stock-based Compensation	\$3,660	\$2,840	\$3,520
Deferred Income Taxes	\$360	\$280	\$340
Other Non-Cash Items	\$180	\$120	\$160
Changes in operating assets and liabilities:			
Accounts Receivable	(\$4,410)	(\$3,280)	(\$2,920)
Inventory	(\$450)	(\$320)	(\$380)
Prepaid Expenses and Other Assets	(\$660)	(\$420)	(\$510)
Accounts Payable	\$1,220	\$890	\$980
Accrued Expenses	\$1,530	\$1,120	\$1,240
Deferred Revenue	\$3,240	\$2,680	\$2,890
Net Cash from Operating Activities	\$25,400	\$19,940	\$25,110
Investing Activities:			
Purchase of Property and Equipment	(\$5,730)	(\$4,820)	(\$5,240)
Purchase of Investments	(\$8,600)	(\$6,420)	(\$7,850)
Sales/Maturities of Investments	\$5,000	\$3,800	\$4,500
Business Acquisitions, net of cash	\$0	\$0	\$0
Other Investing Activities	(\$120)	(\$80)	(\$95)
Net Cash from Investing Activities	(\$9,450)	(\$7,520)	(\$8,685)
Financing Activities:			
Proceeds from Stock Issuance	\$0	\$0	\$0
Repayment of Long-term Debt	(\$6,000)	(\$3,000)	(\$6,000)
Payment of Dividends	\$0	\$0	\$0
Repurchase of Common Stock	\$0	(\$2,450)	\$0
Other Financing Activities	(\$820)	(\$640)	(\$750)
Net Cash from Financing Activities	(\$6,820)	(\$6,090)	(\$6,750)
Effect of Exchange Rate Changes	(\$3,000)	(\$1,850)	(\$2,420)
Net Increase in Cash	\$6,130	\$4,480	\$7,255
Cash at Beginning of Period	\$76,320	\$64,460	\$69,065
Cash at End of Period	\$82,450	\$68,940	\$76,320

Supplemental Cash Flow Information:

Interest Paid	\$2,180	\$2,340	\$2,210
Income Taxes Paid	\$4,550	\$3,340	\$4,330

KEY FINANCIAL METRICS & RATIOS

Metric	Q3 2024	Q3 2023	Q2 2024
Profitability Ratios:			
Gross Margin	65.9%	64.3%	65.8%
Operating Margin	16.6%	14.7%	16.4%
Net Profit Margin	12.4%	10.5%	12.2%
Return on Assets (ROA)	14.8%	12.0%	14.7%
Return on Equity (ROE)	28.9%	26.0%	29.8%
Liquidity Ratios:			
Current Ratio	1.87	1.82	1.84
Quick Ratio	1.76	1.71	1.73
Working Capital	\$97,290	\$79,840	\$88,920
Leverage Ratios:			
Debt-to-Equity	0.44	0.63	0.50
Debt-to-Assets	0.23	0.29	0.25
Interest Coverage	10.08x	7.26x	9.54x
Efficiency Ratios:			
Asset Turnover	1.19	1.15	1.21
Receivables Turnover	9.05	9.30	9.50
Days Sales Outstanding (DSO)	40.3	39.2	38.4
Inventory Turnover	14.6	15.2	15.1
Growth Metrics:			
Revenue Growth (YoY)	14.5%	16.2%	13.8%
Revenue Growth (QoQ)	3.3%	4.1%	2.8%
Net Income Growth (YoY)	35.8%	28.4%	33.2%
Net Income Growth (QoQ)	5.2%	6.8%	4.1%
Per Share Data:			
Book Value per Share	\$11.35	\$9.39	\$10.48
Revenue per Share	\$6.61	\$5.83	\$6.40

NOTES TO FINANCIAL STATEMENTS

1. Basis of Presentation

These unaudited consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and include the accounts of TechVision Solutions Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

2. Revenue Recognition

Revenue is recognized when control of promised goods or services is transferred to customers in an amount that reflects the consideration expected in exchange for those goods or services. Product revenue is recognized at the point of sale. Service revenue is recognized as services are performed. Subscription revenue is recognized ratably over the subscription period.

3. Recent Developments

During Q3 2024, the Company launched its new AI-powered analytics platform, contributing to accelerated subscription revenue growth. The Company also made scheduled debt repayments of \$6.0 million and continued investments in R&D; to enhance product capabilities.

4. Contingencies and Commitments

The Company is subject to various legal proceedings and claims arising in the ordinary course of business. Management believes the outcome of these matters will not have a material adverse effect on the Company's financial position or results of operations.

5. Subsequent Events

Management has evaluated subsequent events through the date of this report and has determined that no material events have occurred requiring disclosure or adjustment to the financial statements.

This is a sample quarterly financial statement created for demonstration purposes. All figures and data are fictional and should not be used for actual financial analysis or decision-making.