

ShoreTel présente ses résultats financiers pour le deuxième trimestre 2016

ShoreTel finalise deux acquisitions pour accélérer la marge hors GAAP à 9% de l'activité cloud

Paris, le 2 février 2016 – ShoreTel® (NASDAQ: SHOR), fournisseur de [systèmes de téléphonie](#) et de solutions de [communications unifiées](#) (UC), vient de publier ses résultats financiers pour le second trimestre de son exercice comptable 2016 clos le 31 décembre 2015.

Pour le deuxième trimestre de l'exercice 2016, le chiffre d'affaires était de 90,4 millions de \$, comparé à un chiffre d'affaires de 90,6 millions de \$ au deuxième trimestre fiscal de 2015. Hors GAAP, ce qui exclut l'impact net de certains éléments, ShoreTel annonce, pour le deuxième trimestre de l'exercice 2016, un résultat net de 6,7 millions \$ et un bénéfice par action après dilution de 0,10 \$. Pour le rapprochement détaillé des résultats GAAP et hors GAAP, voir les tableaux financiers en annexe.

« Au cours du deuxième trimestre, nous avons fait des progrès considérables vers les priorités stratégiques et les vecteurs de croissance que nous avons exposé au cours de notre Analyst Day en novembre dernier », déclare Don Joos, président et CEO de ShoreTel. « Avec le lancement de la plate-forme ShoreTel Connect, nous avons consolidé notre base client grâce à la croissance du nombre de projets cloud. Nos partenaires ont également contribué à une part importante de nos ventes cloud et nous avons, par ailleurs, annoncé deux acquisitions pour accélérer notre développement dans le cloud. Pendant l'exécution de ces objectifs stratégiques, nous avons généré une rentabilité très solide. »

Second Quarter of Fiscal 2016 Financial Highlights

Recurring revenues, which consist of all hosted and related services revenue plus support revenues, represented 52 percent of total revenue in the second quarter of fiscal 2016 and reached an annualized value of \$189 million; an increase of 15 percent compared to the second quarter of fiscal 2015.

Non-GAAP total gross margin, which excludes stock-based compensation charges, amortization of acquisition-related intangibles and other adjustments, for the second quarter of fiscal year 2016, was 65.4 percent compared with 63.0 percent in the second quarter of fiscal 2015. GAAP gross margin for the second quarter of fiscal year 2016 was 64.0 percent compared with 61.0 percent in the second quarter of fiscal year 2015.

Hosted revenues of \$30.5 million were up 20 percent year-over-year and 4 percent sequentially. Non-GAAP hosted gross margin increased to 57.3 percent in the second quarter of fiscal 2016, representing a significant improvement over the 45.8 percent in the second quarter of fiscal 2015.

GAAP hosted gross margin for the second quarter of fiscal year 2016 was 53.7 percent, compared with 39.5 percent in the second quarter of fiscal year 2015. The total number of installed customer seats increased 23 percent over the second quarter of fiscal 2015 to approximately 205,600. Hosted revenue churn was approximately 6.4 percent annualized in the second quarter of fiscal 2016.

Product revenues of \$41.0 million were down 13 percent year-over-year and down 1 percent sequentially. Non-GAAP product gross margin was 66.7 percent in the second quarter of fiscal 2016, compared with 67.0 percent in the second quarter of fiscal 2015. GAAP product gross margin for the second quarter of fiscal year 2016 was 66.6 percent, compared with 66.7 percent in the second quarter of fiscal year 2015.

Support and services revenues of \$18.9 million were up 4 percent year-over-year and down 1 percent sequentially. Non-GAAP support and service gross margin was 75.7 percent in the second quarter of fiscal 2016, compared with 77.0 percent in the second quarter of fiscal 2015. GAAP support and service gross margin for the second quarter of fiscal year 2016 was 74.9 percent, compared with 76.4 percent in the second quarter of fiscal year 2015.

As of December 31, 2015, the company had \$106.9 million in cash, cash equivalents and short-term investments and no outstanding debt. The company generated \$3.6 million in cash flow from operations in the quarter ended December 31, 2015.

Selected Operational Metrics

	Quarter Ended <u>12/30/15</u>	Quarter Ended <u>09/30/15</u>	Quarter Ended <u>06/30/15</u>	Quarter Ended <u>03/31/15</u>	Quarter Ended <u>12/31/14</u>
Recurring Revenue as a Percent of Total Revenue	52%	51%	47%	51%	45%
Annual Recurring Revenue Run Rate (in millions)	\$ 188.9	\$ 183.8	\$ 178.6	\$ 171.8	\$ 164.9
Cloud Average Monthly Recurring Revenue Per Customer	\$ 2,244	\$ 2,349	\$ 2,368	\$ 2,347	\$ 2,333
Cloud Monthly Average Revenue Per User (ARPU)	\$ 52	\$ 53	\$ 54	\$ 53	\$ 52
Cloud Average # of Seats per Customer	44	44	44	44	45
Cloud Revenue Churn Rate Annualized	6.4%	5.3%	4.4%	7.9%	4.5%
Non-GAAP Gross Margin-Product	66.7%	67.6%	65.9%	65.2%	67.0%
Non-GAAP Gross Margin-Hosted and related services	57.3%	57.1%	51.9%	49.8%	45.8%
Non-GAAP Gross Margin-Support and Services	75.7%	76.5%	77.3%	75.8%	77.0%
Total Company Headcount	1,086	1,070	1,063	1,068	1,010

Change for Installation Revenue and Costs Related to Hosted Services

The company changed its accounting for installation revenues and related costs for hosting services. These changes are not material to the financial statements. The related financial results and prior period metrics have been revised to reflect the changes.

Second Quarter of Fiscal 2016 Business Highlights

ShoreTel Acquires Cloud Provider Corvisa to Add Complementary Technologies and New Revenue Sources

On January 6, 2016, ShoreTel completed its acquisition of Corvisa, a provider of cloud-based communications solutions. This acquisition is expected to accelerate ShoreTel's fiscal 2017 hosted revenue growth by enhancing ShoreTel's solutions and architecture in four key areas:

- Corvisa's open, standards-based application programming interfaces (APIs) and software development kits (SDKs) to accelerate third-party application integration within the ShoreTel ecosystem.
- The addition of Corvisa's session initiation protocol (SIP) trunking to the ShoreTel solution portfolio will position ShoreTel as a SIP trunking provider, enabling it to unlock new revenue streams for ShoreTel and its channel partners while delivering simpler transactions for customers.
- Corvisa's standalone cloud contact center expands ShoreTel's presence in the rapidly growing contact center market, allowing for integration with non-ShoreTel communication solutions.
- ShoreTel hired 94 employees, most of whom are in technical and customer-facing roles. These highly desired technical engineers will be instrumental in the acceleration of ShoreTel's innovative architecture and product roadmap.

In addition, ShoreTel continues to expand its cloud services in Europe as a result of acquiring Corvisa's Amsterdam and UK data centers.

ShoreTel paid \$8.4 million in cash to acquire Corvisa. The transaction closed on January 6, 2016 and is therefore incorporated into the company's business outlook for the quarter ending March 31, 2016.

ShoreTel Expands Cloud Presence in Australia with Acquisition of M5 Australia

As part of the company's acceleration phase of growth, ShoreTel is expanding its cloud solutions geographically. In November, ShoreTel acquired M5 Networks Australia for \$6.1 million in cash, to bring a ShoreTel hosted voice solution to the Australian region. The purchase of M5 Australia enables the company to accelerate its cloud roll-out in the country, leveraging its existing employees, established partner base and customers. The transaction closed November 16, 2015, and therefore approximately 1.5 months of activity are included in the results and related metrics for the quarter ended December 31, 2015.

Major Win in Australia to Deploy ShoreTel Connect, Contact Center and Mobility Offerings

ShoreTel announced that Brimbank City Council in Victoria, Australia, has selected ShoreTel Connect™ to replace its current telephony and contact centre infrastructure. Brimbank will deploy ShoreTel Connect ONSITE, ShoreTel Contact Center and ShoreTel Mobility across 29 locations for more than 700 council staff. The new ShoreTel UC solution will form the basis of a comprehensive revamp of systems to enhance Brimbank's delivery of services to its community of almost 200,000 residents.

Brimbank underwent a rigorous tender process for its new UC solution, and selected ShoreTel for the ease of use and simplicity of the platform. The council saw ShoreTel Connect in beta version, and chose to deploy the new platform based on its user experience and functionality.

ShoreTel Earns Multiple Industry Awards

During the fiscal second quarter, ShoreTel received several industry awards. ShoreTel was recognized by Ingram Micro® as the "Unified Communications and Collaboration Vendor of the Year." This was the first year Ingram Micro has recognized a vendor in this technology category. The two companies have been working together for more than four years, most recently with Ingram Micro adding ShoreTel cloud solutions to its portfolio.

ShoreTel was named Telecommunications Vendor of the Year in New Zealand at the Inaugural Reseller News ICT Industry Awards 2015. For the second year in a row, ShoreTel was voted the best in Unified Communications & Collaboration by Network World Asia Reader's Choice Product Excellence Awards 2015.

The ShoreTel website was recognized by the Interactive Media Council, Inc. as "Best In Class" in both the telecommunications and B2B categories of the 2015 Interactive Media Awards™. The awards recognize individuals and organizations for excellence in website design and development. The Best In Class award is the highest honor awarded by the IMA and represents the best in planning, execution and overall professionalism.

Business Outlook

ShoreTel is providing the following outlook for its fiscal third quarter of 2016 ending March 31, 2016:

- Total revenue is expected to be in the range of \$86 million to \$91 million.
- Non-GAAP gross margin, which excludes approximately one and one-half percentage points in stock-based compensation charges, amortization of acquisition-related intangibles and other adjustments, is expected to be in the range of 62 percent to 63 percent. GAAP total gross margin is expected to be in the range of 60.5 percent to 61.5 percent.
- Non-GAAP operating expenses, which exclude approximately \$3.0 million in stock-based compensation expenses, amortization of acquisition-related intangibles, M&A fees and other adjustments, are expected to be in the range of \$57 million to \$58 million. GAAP total operating expenses are expected to be in the range of \$60 million to \$61 million.

Conference Call Information

The company will host a corresponding conference call and live webcast at 2:00 p.m. Pacific Time on Thursday, January 28, 2016. To access the conference call, dial + 1-866-652-5200 for callers in the U.S. or + 1-412-317-6060 for international callers and ask to join the ShoreTel call.

A live webcast will be available in the Investor Relations section of the company's corporate website at <http://ir.shoretel.com/> and an archived recording will be available beginning approximately two hours after the completion of the call. An audio telephonic replay of the conference call will also be available beginning approximately one hour after the completion of the call until February 4, 2016 by dialing + 1-877-344-7529 for callers in the U.S. or + 1-412-317-0088 for callers outside the U.S. and providing the conference identification number of 10078944.

Use of Non-GAAP Financial Measures

ShoreTel reports all required financial information in accordance with generally accepted accounting principles in the United States ("GAAP"), but it believes that evaluating its ongoing operating results may be difficult to understand if limited to reviewing only GAAP financial measures. Many investors have requested that ShoreTel disclose this non-GAAP information because it is useful in understanding the company's performance as it excludes non-cash charges, other non-recurring adjustments and related tax changes, that many investors feel may obscure the company's true operating performance. Likewise, management uses these non-GAAP measures to manage and assess the profitability of its business and does not consider stock-based compensation charges and amortization charges related to acquisition-related intangible assets and the related tax changes, which are non-cash charges, or other non-recurring items in managing its core operations. ShoreTel has provided a reconciliation of non-GAAP financial measures following the text of this press release. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure.

Legal Notice Regarding Forward-Looking Statements

ShoreTel assumes no obligation to update the forward-looking statements included in this release. This release contains forward-looking statements within the meaning of the "safe harbor" provisions of the federal securities laws, including, without limitation, statements by Don Joos, statements regarding future growth, and statements regarding benefits of acquisitions, partners, product and technology introductions and their timing for release, and statements in the "Business Outlook" section regarding ShoreTel's anticipated future revenues, gross margins and operating expenses (on a GAAP and non-GAAP basis) and other financial information. The forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The risks and uncertainties include the intense competition in our industry, our reliance on third parties to sell and support our products, our ability to continue to grow our cloud-based solutions, our ability to grow or maintain our premise products, supply and manufacturing risks, the impact of service disruptions or security breaches, uncertainties related to global operations, our ability to control costs as we expand our business, unforeseen difficulties in integrating acquired employees, products and technologies, inability to retain acquired customers, difficulties in

managing more dispersed business operations, our ability to attract, retain and ramp new personnel, potentially longer sales cycles, uncertainties inherent in the product development cycle, our ability to identify and execute on strategic opportunities, uncertainty as to market acceptance of new products and services, the potential for litigation in our industry, the uncertain impact of global economic conditions and foreign exchange rates, including impact on customers' purchasing decisions, and other risk factors set forth in ShoreTel's Form 10-K for the year ended June 30, 2015.

A propos de ShoreTel, Inc.

ShoreTel, Inc. (NASDAQ : SHOR) est un fournisseur de systèmes de téléphonie IP et de solutions de communications unifiées. Sa solution primée de PBX IP sur site et son système de téléphonie hébergé dans le cloud éliminent la complexité et améliorent la productivité. Reconnu pour son expérience client et son support à la pointe du marché, ShoreTel propose des offres innovantes en matière de téléphones d'entreprise, d'intégration des applications, d'outils collaboratifs, de mobilité et d'applications pour centre de contacts qui permettent aux utilisateurs de communiquer et de collaborer à tout moment, partout et sur tout équipement, en sollicitant au minimum les ressources informatiques de l'entreprise. ShoreTel a son siège social à Sunnyvale en Californie et compte des bureaux locaux et des partenaires dans le monde entier. Pour plus d'informations, consultez le site <https://www.fr.shoretel.com>.

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