

## Orad's Software - a Hot Deal

Vendors of TV production software have put the economic crisis behind them. In the current cycle Orad will earn an estimated 3.5 million dollars, thereby returning to the record level of 2008 (3.4 million). Sales, at about 34 million dollars, may fall slightly below the peak value of 2008 (32 million). During a visit to the *Prior* editorial staff, CFO **Ehud Ben Yair** boasted that even during the recession the Israeli company was in the black. This was not always the case: In 2005 it was on the brink of ruin, due - among other things - to management disputes. Since one of the founders left the ship, however, **Orad's** fortunes have risen steeply. Compared with 2005, the business volume has roughly doubled; since then, no quarterly loss has been reported. Television companies use Orad's computer programs to produce information graphics. It's true that new broadcasts are on the retreat, but this is more than offset by growth in sports programs. The rank as state-of-the-art technology. **RTL, NBC and Deutsche Welle** are among well-known broadcast stations that are Orad customers. In the next three years Orad wants to increase sales to about 50 million dollars, and more than double profit to about 7.5 million dollars (a 15% net margin). Possible acquisitions are not included in this planning. If these goals were actually to be achieved, the share would have considerable potential. At the current price of 2.60 Euros, the quoted value is only 29 million Euros (about 40 million dollars). A large part of the market cap is already covered by 18 million dollars cash in the company's cash register, there are no bank debts, and the company's equity ratio is 60%. Thanks to a huge loss carryforward of 58 million dollars Orad pays only few taxes for the time being.