

AGILYSYS INC
Form DEFA14A
June 15, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934

Date of Report: June 15, 2011 (Date of earliest event reported)

AGILYSYS, INC.

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction

of incorporation)

000-5734
(Commission

File Number)

34-0907152
(IRS Employer

Identification No.)

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28925 Fountain Parkway, Solon, Ohio
(Address of principal executive offices)

44139
(ZIP Code)

Registrant's telephone number, including area code: (440) 519-8700

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition; and

Item 7.01 Regulation FD Disclosure

On June 15, 2011, James H. Dennedy, Interim President and Chief Executive Officer and Curtis C. Stout, Vice President and Treasurer, of Agilysys, Inc. (the Company) delivered a presentation to current and prospective investors in Toronto, Ontario, Canada containing an overview of the Company and results of operations through the fiscal year ended March 31, 2011. A copy of the slide show that was handed out at this presentation, which is also available on the Company's website, is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Agilysys, Inc. June 2011 investor presentation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AGILYSYS, INC.

By: /s/ Henry R. Bond
 Henry R. Bond
 Senior Vice President and Chief Financial Officer

Date: June 15, 2011

Exhibit Index

Exhibit Number	Description
99.1	Agilysys, Inc. June 2011 investor presentation.

Agilysys, Inc. (Nasdaq: AGYS)
June 2011

2

Forward looking statements & non-GAAP financial information

Forward-Looking Language

This release contains certain management expectations, which may constitute forward-looking information within the meaning of 1933, Section 21E of the Securities and Exchange Act of 1934, and the Private Securities Reform Act of 1995. Forward-looking information may be identified by use of words such as "may," "will," "believes," "anticipates," "plans," "expects," "forecasts," "continues," "seeks," or the negative of those terms or similar expressions. Many important factors could cause actual results to differ from those in forward-looking information including, without limitation, competitive factors, disruption of supplies, changes in claims or litigation, or technology advances. No assurances can be provided as to the outcome of cost reductions, expected benefits from recent ERP implementation, business strategies, future financial results, unanticipated downturns to our relationships with customers for IT products and services, unanticipated difficulties integrating acquisitions, new laws and government regulations, interest in the concentrated ownership of our outstanding shares by MAK Capital, and unanticipated deterioration in economic and financial conditions around the world or the consequences; uncertainties associated with the proposed sale of the Company's TSG business to TSG, including uncertainties related to the anticipated timing of filings and approvals relating to the transaction, the expected timing of the ability to complete the transaction. The Company does not undertake to update or revise any forward-looking information or projected results, actions, or impact, express or implied, will not be realized.

Other potential risks and uncertainties that may cause actual results to be materially different from those in forward-looking information are discussed in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC), under Item 1A, "Risk Factors," and on the SEC or the Agilysys website.

Use of Non-GAAP Financial Information

To supplement the unaudited condensed consolidated financial statements presented in accordance with U.S. GAAP in this presentation, certain financial measures as defined by the SEC rules are used.

Management believes that such information can enhance investors' understanding of the company's ongoing operations. The non-GAAP presentation have been reconciled to the comparable GAAP measures within an accompanying table, shown on the last page of this presentation. Additional Information

In connection with the proposed TSG divestiture, the Company will file a proxy statement with the Securities and Exchange Commission. **WE URGE YOU TO READ THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE COMPANY.** You will be able to obtain the proxy statement, as well as other filings of the Company, free of charge, at the website maintained by the SEC at www.sec.gov. Copies of the proxy statement and other filings of the Company with the SEC can also be obtained, free of charge, by directing a request to Agilysys Inc., 28925 Fountain Parkway, Solon, Ohio, 44139.

Participants in the Solicitation

The Company and its directors and officers may be deemed to be participants in the solicitation of proxies from the Company's shareholders for a special meeting of shareholders that will be held to consider the proposed transaction. Information about the Company's directors and officers, and the ownership of the Company's common stock is set forth in the proxy statement for the Company's Annual Meeting of shareholders held on June 25, 2010. Shareholders may obtain additional information regarding the interests of the Company and its directors and officers in the proposed transaction, which may be different than those of the Company's shareholders generally, by reading the proxy statement and other information filed with the SEC.

3

Agilysys: overview

Formed:

1963

Ticker symbol:

AGYS (NASDAQ)

Market capitalization:

~\$175 million

Capital structure as of 3/31/11:

Debt-free w/\$74M cash

Fiscal 2011* sales:

\$675 million

Markets served as % of revenue:

98% North America

2% Asia and Europe

Employees:

1,200

Corporate HQ:

Solon, Ohio (relocating to Atlanta)

Quick Facts

Summary

Leading

developer

and

marketer

of

proprietary

enterprise

software,

services

and

solutions to the hospitality and retail industries

Divesting

technology

solutions

(data

center

focus)

business

to

focus

on

hospitality

solutions and point-of-sale (hospitality: proprietary software and retail: store-front focus)

*March 31

st

fiscal year

4
Strategic update
Announced
on
May
31
st
a
definitive
agreement
to
sell
Technology
Solutions
Group
(TSG)
business
for a purchase price of \$64 million in cash to OnX Enterprise Solutions
Strategic
emphasis
focuses
on
improving
business
performance

and
returning
capital
to

shareholders

Shareholder value to be driven by improved operating and financial results of remaining
Hospitality Solution and Retail Solution Groups

Customer and solution focus

Profitable growth

Select investments to enhance core offerings

Reduce operating expenses

Reduce corporate expense of servicing our businesses, including reducing our facilities
footprint

Today announced relocation of corporate headquarters to Alpharetta, Georgia to reduce
corporate costs and reposition support closer to key revenue producing locations in Georgia
and South Carolina

5

Agilysys solutions

(1)

Adjusted EBITDA, excludes asset impairment and restructuring charges.

Reconciliation provided at back of presentation

FY11 Rev.:

\$201M

Adj. EBITDA

1

:

\$15.1M

FY11 Rev.:

\$474M

Adj. EBITDA

1

:

\$8.7M

Leading proprietary software and
service solutions for hospitality

and retail
High value-add proprietary
enterprise software
Deep vertical experience and
expertise
Blue chip customer base
High-end enterprise data center
solutions for Fortune 1000 & gov t
Deep relationship with all leading
technology vendors
National presence
Deep technical skills
Reputation for complex solutions

6
Hospitality software, solutions and markets
Products
Markets

7
Hospitality revenue mix
Software
Recurring Services
Hardware
Hardware
23%
Software
16%
Services
17%
Recurring
Svcs.
44%
Services

Software maintenance
SAAS/Hosting
Point of sale
Servers
Enterprise applications
Complementary apps.
Implementation & training
Help desk & support

8

Retail products and solutions

Services

Enterprise

hardware

Point-of-sale

Peripherals

Implementation

Hardware

maintenance

Depot services

Software

development &

maintenance

Retail help desk

support

Managed services

Business

consulting

Software
POS software
Proprietary
software
Enterprise
software
Hardware
Comprehensive
Solutions

9
POS
Other
Cisco
Verifone
Server
Symbol
Retail revenue mix
H/W maintenance
& depot
Consulting &
implementation
Development,
maintenance
& help desk

Resold services
Revenue Mix
S/ware
3%
Services
16%
Recurring
Svcs.
20%
Hardware
61%

Agilysys, Inc. (Nasdaq: AGYS)
Appendix

11
Reconciliation of segment TTM operating income
to adjusted EBITDA
(\$Mil.)
HSG
RSG
TSG
Operating income
\$6.03
\$3.37
(\$31.74)
Plus: Depreciation & amortization
\$4.30
\$0.45
\$2.88
Adjusted EBITDA
\$10.33
\$3.82
(\$28.86)
Plus: Restructuring charges
\$0.00
\$0.00
\$0.79
Plus: Asset impairment charges
\$0.96

\$0.00

\$36.76

Adjusted EBITDA ex. charges

\$11.29

\$3.82

\$8.69

FY 2011

March 31

st

fiscal yearend