

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**

| <b>Exhibit Number</b> | <b>Description</b>                              |
|-----------------------|---|
| 99.1                  | Agilysys, Inc. June 2011 investor presentation. |

Agilysys, Inc. (Nasdaq: AGYS)  
June 2011

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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 transaction, and 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 release, 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 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 REGARDING 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](http://www.sec.gov). Copies of the proxy statement and other filings 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, in connection with a special meeting of shareholders that will be held to consider the proposed transaction. Information about the Company's directors 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 connection with 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.

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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

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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

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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