Xurpas posts net loss of ₱190 million for the first nine months of 2018, implements ongoing cost cutting measures in preparation for 2019

Technology firm, Xurpas Inc. (PSE:X), posted revenues of ₱869 million in the first nine months of 2018, down by 48% from the previous year. It also recorded net loss of ₱190 million in the same period or down by 236% from the previous nine months of 2017. The Group's decline in revenues mostly came from its Mobile consumer segment, but was buoyed by a 21% year-on-year increase from its Enterprise segment. The Group's Mobile consumer segment was hit by various challenging market conditions, such as the new Value-Added Services (VAS) policies implemented by one of its major telco partners earlier this year, and the slower-than-expected recovery of Art of Click.

"This year's ongoing challenges also give Xurpas an opportunity to refocus, as we rebuild the overall business. We are tirelessly working to turn things around next year, and that includes making tough decisions for streamlining, in order to return to profitability," said Xurpas President and Chief Executive Officer, Raymond Racaza.

The Group's core business recovery plans have made steady progress in recent months. Xurpas' subsidiary, Xeleb Inc., will launch a key mobile consumer project in the next quarter; the company's first major mobile consumer product since the downturn in Q2 of this year. Also, under the company's Mobile consumer segment, Singapore based Art of Click has shown promising signs of improvement post third quarter of this year. The Enterprise services segment remains a solid contributor to the Group, achieving ₱582 million in topline as of the first nine months of 2018, exceeding the ₱479 million in revenues for the same period in FY2017. Finally, Xurpas' 100% owned blockchain subsidiary, ODX Pte. Ltd, is on track to launch the *alpha* of its application (the first working version of the ODX app,) by the end of 2018.

"We are taking the necessary steps to re-base the business through ongoing cost reduction measures across the organization. This will continue into 2019," Mr. Racaza said.

"One of the biggest cost drivers of our total business is manpower costs," continued Racaza. "Core business units excluding Yondu and Storm have seen drastic cuts in overall manpower costs and outsourced services, while Yondu has increased some of its costs for the expansion plans of its growing and profitable business. We are also proactively managing our portfolio of investments and are exploring divesting some of these that are not performing as expected."

"We are committed to executing on the blockchain opportunity, which continues to gain good traction through ODX, and build on the foundation of our Enterprise business. Our management is dedicated to rebuild our Mobile consumer segment together with our telco partners, and our Art of Click team, while exploring new business models for other mobile applications," Mr. Racaza concluded.