FINAL TRANSCRIPT

Kinaxis Inc.

Fiscal 2015 Second Quarter Conference Call

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PRESENTATION

Operator

Good evening, ladies and gentlemen. Welcome to the Kinaxis Inc. Fiscal 2015 Second Quarter Conference Call. At this time, all participants are in a listen-only mode.

Following the presentation, we will conduct a question-and-answer session. Instructions will be provided at that time for you to queue up for questions.

Before beginning its formal remarks, Kinaxis would like to remind listeners that today's discussion may contain forward-looking statements that reflect current views with respect to future events. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. Kinaxis does not undertake to update any forward-looking statements, except as required.

I'd like to remind everyone that this call is being recorded today, Thursday, August 6, 2015.

I will now turn the call over to Doug Colbeth, President and Chief Executive Officer of Kinaxis Inc. Please go ahead Mr. Colbeth.

Doug Colbeth — President and Chief Executive Officer, Kinaxis Inc.

Good afternoon, and thank you for joining us today. Earlier this afternoon we issued our fiscal 2015 second quarter financial results, a copy of which is available on our website, kinaxis.com.

With me today is our CFO, Richard Monkman. I'll address the key events from the quarter, and then Richard will review our financial results. I'll then close with a few comments on our growth strategies, and then we'll open up the line for Q&A.

Looking at the results for the second quarter, we saw strong growth in revenue as customers continue to embrace our software. Total revenue increased by 32 percent, led by our professional services and subscription revenue, which increased by 43 and 29 percent, respectively.

The strong revenue increase, coupled with our disciplined investment practices, resulted in a Q2 2015 adjusted EBITDA, increasing by 183 percent to 9.2 million, or 39 percent of revenue. These results demonstrate the earnings power of our business model as overall revenues increase.

Through the power of rapid response, our customers can leverage our unique supply chain management solutions to drive real change in their businesses. We enable them to quickly analyze the impact of outside forces on their supply chains and quickly respond by making the necessary course corrections.

Our single database, multiple applications SaaS paradigm, coupled with our superior simulation technology, continues to give us a unique product advantage in the supply chain marketplace.

With that, I'll pass the line over to Richard to discuss our financial results in greater detail.

Richard Monkman — Chief Financial Officer, Kinaxis Inc.

Thank you, Doug, and good afternoon. I would like to take a moment to remind our listeners that all figures reported on today's call are US dollars under IFRS.

Revenue in the second quarter increased 32 percent over Q2 2014 to 23.7 million. This growth was driven by subscription revenues that expanded by over 29 percent to 16.3 million.

The growth in revenue was due to revenue from contracts secured with new customers during the second half of 2014 and the first quarter of 2015 in addition to the expansion of existing customer subscriptions.

Also contributing to the overall growth in the quarter was professional services revenue, which increased 43 percent from the second quarter of 2014 to 7.1 million. The increase was primarily driven by the commencement of project engagements with new customers secured in the second half of 2015 and the first quarter of 2015, as well as additional engagements with existing customers.

Net profit for the quarter was 5.2 million, or $0.22 per basic and $0.20 per diluted share compared to a net loss of 5.3 million, or $0.34 per basic and diluted share for the same period in 2014. The increase in profit over the prior-year period was primarily driven by higher operating profits and the lower fair value adjustment on redeemable preferred shares which were converted to common shares at the time of our initial public offering last year.

Gross profit was 17.4 million in the second quarter compared to 12.3 million for the same period in 2014. As a percent of revenue, gross profit was 73 percent versus 69 percent in the prior period. The increase was primarily due to the relative growth rates between the two quarters. That is, the corresponding growth rate of overall revenue was higher than the rate of increase in cost of goods sold.

Sales and marketing was 3.9 million compared to 4 million for the second quarter of 2014. The slight decrease was due to higher commission costs incurred in the second quarter of 2014 that were offset by higher headcount and related compensation costs and marketing program costs incurred in the second quarter of 2015.

Gross R&D expenses increased to 4.3 million from 4 million in the prior-year quarter. This change was driven by an increase in headcount we made to support ongoing programs designed to further develop our RapidResponse offering for new and existing customers.

G&A expenses declined to 1.8 million from 2.4 million for the second quarter of 2015. The decline was due primarily to higher accounting, audit, and legal fees incurred in the second quarter of 2014 relating to the IFRS conversion and initial public offering.

This was partially offset by an increase in share-based payment expense and variable compensation in the second quarter and the first six months of 2015 compared to those for the same period of 2014.

Adjusted EBITDA was 9.2 million, or 39 percent of revenue in Q2 2015 compared to 3.3 million, or 18 percent of revenue in the same period last year. The strong adjusted EBITDA performance was achieved as our revenue increased at a higher rate than our cost.

Deferred revenue was 51.2 million at June 30, 2015, an increase of 37 percent compared to year-end 2014. The increase was due to new subscription arrangements, renewals, and the receipt of prepayment of a multiyear subscription arrangement of approximately 20 million in the first quarter of 2015. Deferred revenue relating to subscription term periods beyond one year totalled 13.8 million at June 30th.

Cash generated by our operating activities for the first six months of 2015 was 30.9 million as compared to 7.3 million in the same period of 2014. The change was primarily the result of the receipt of prepayment of subscription arrangements and the increase in net income, share-based compensation, and income tax expense.

Cash and cash equivalents totalled 85.2 million as at June 30, 2015, as compared to 56.7 million as at December 31, 2014. The increase was primarily due to the already-mentioned prepayment of a multiyear subscription arrangement of approximately 20 million, as well as other subscription arrangements.

Before turning the call back over to Doug, I would like to review our full year 2015 guidance in light of the results of Q2 2015.

Overall, we are reaffirming our expectation to grow annual subscription revenue between 26 and 28 percent for the full year. And we are pleased to revise our expectations for full year professional services revenue to between 22 million and 23 million.

Given the continued growth of the business and factoring in the planned key investments scheduled for the remainder of the year, we expect that adjusted EBITDA performance for fiscal 2015 will be between 26 and 29 percent of total revenues.

With that, I turn it back over to Doug.

Doug Colbeth

Thanks, Richard. As we touched upon on the last call, we recently established and began development of Kinaxis University as a comprehensive education and certification program.

The goal of Kinaxis University is to provide our customers, partners, and employees with access to high-level training on RapidResponse. We are committed to establishing Kinaxis University primarily via a digital knowledge platform.

With this new initiative we are extremely pleased to have brought Sarah Sedgman on board as the newest member of our executive leadership team. As Chief Knowledge Officer, Sarah will play an integral role in developing assets to educate our employees, partners, and customers. Some of these assets will also be leveraged in certain marketing aspects.

A second major investment area for Kinaxis this year is in our customer success operations. This group is being led by Ed Shepherdson, who is also a new member of our executive leadership team.

We are making investments in this expanding organization to drive even greater user adoption inside our customer base. While Kinaxis has historically driven a large percentage of its new bookings from existing customers, we believe we can even do better.

The third area of increased investments in 2015 is focused on the development of a partner channel. These are long-term investments, but we feel they're very strategic to Kinaxis' long-term growth plans.

To summarize, we continue to see strong demand from the world's largest companies for our innovative supply chain management solutions. New key areas of investments for Kinaxis are knowledge services, customer success operations, and the partner channels.

I want to thank all of you for taking the time to join us on the call today.

With that, I'll turn the line over to the Operator for any Q&A.

Q&A

Operator

At this time, I'd like to remind everyone to ask a question you may press *, then the number 1 on your telephone keypad.

And our first question comes from Richard Tse at Cormark Securities. Your line is open.

Richard Tse — Cormark Securities

Yes. Thank you. Doug, can you maybe comment on the progress of the partnerships when you guys would expect them to start scaling in terms of contribution or revenue?

Doug Colbeth

Yeah. We had a little bit of contribution last quarter, as a matter of fact. And we think the major impact we'll really start to see next year, but we do expect to see an incremental impact, I would call it, in the coming quarters.

Richard Tse

Okay. And then last year at your user event I think you talked about investments in new modules and sort of expanding on the platform a bit here. Perhaps you can give us an update there and potentially when we could expect products on that side to roll out as well?

Doug Colbeth

Yeah. At this point we obviously are always working on new applications, but we have none to report at this time.

Just to remind everybody how we do this, quite often we collaborate with an initial customer on an application. We want that application to be successfully deployed, and then we'll announce its availability to other customers. So nothing to report on that front right now, other than the fact that we're continuing to invest in new applications.

Richard Tse

Okay. And just one last one for me here. Perhaps a commentary on the renewals and your ability to push through price increases on those renewals? Thanks.

Richard Monkman

Well, as you may recall, Richard, our contracts are fixed and determinable. Customers are quite savvy and will negotiate renewal increases, and those renewal increases are applied. So yes, there are increases generally on renewals. And, as you know, we are a very, very sticky company. So that is part of our growth.

Again, we reported last quarter that approximately 60 percent of our revenue growth is from new-name customers and about 40 percent from the base, and that 40 percent would include not only expansions, but also renewal price increases.

Richard Tse

That’s great. Thank you.

Operator

Our next question comes from the line of Paul Treiber with RBC Capital Markets. Your line is open.

Paul Treiber — RBC Capital Markets

Thanks very much. Just in light of the very strong subscription growth in Q2, what’s the rationale for maintaining the 2015 subscription guidance? I mean I think it would imply a fairly plateau subscription revenue from here.

Richard Monkman

So thank you, Paul. So we have talked about the increase on an annual basis, and we've been consistent with that annual guidance. We're very confident, given the front-log that we see, as well as the backlog to report on that. So it's a guidance that we'll be updating again in Q3.

I think the main item that we did want to bring to the investors' attention at this point in time was the extremely strong performance on the professional services front. That was due to the timing of deployments in that we deal with some very large customers who really need to get some of their budget cycles in place and their people plans. And work sort of started mid-Q1 and was running fully in Q2.

So that's why we've updated the guidance on the professional service revenue for the year. But we're very confident in that 26 to 28 percent range for subscription revenue growth and the professional services revenue growth. And as I said, that's something that we will revisit in Q3.

Paul Treiber

So I think it's probably safe to characterize it as fairly conservative as opposed to seeing either a slowdown in customer wins or subscription revenue momentum in the back half of the year?

Richard Monkman

No, I don't think you should read that into it. As you know, we have—we're approaching 100 customers. We have very, very large revenue arrangements. Our contract wins from a quarter perspective tend to be lumpy; the sales cycle is fairly long.

But once customers secure, that revenue annuity, if you will, is in place, and that is really what we base our overall guidance on, so there's a number of factors there. The business continues to be healthy, and I think that's really all that you should read into that guidance at this point in time.

Paul Treiber

Okay. Moving on to partners. What's the magnitude of the addressable market expansion that you expect partners to contribute? Do you see it more as augmenting what you've done with direct sales? Or do you see it getting you into a number of customers that maybe your direct sales force couldn't penetrate otherwise?

Doug Colbeth

Yeah. I think there's a few vectors to look at there, and obviously there are some remote parts of the world that we don't have a presence in. And the types of partners we're talking to are very large and they're of global nature. And we'll obviously be communicating more as time goes on about some of those relationships.

So part of it is geographic. The most exciting component to me is not so much where they just go out and sell what we sell. It's where they're able to take their resources and they actually create a new offering that they will market to a global customer base.

As you may know, we have a product where it's in many ways a platform upon which other people can plug in additional value. So this is what we hope to get from the partners so that we get dramatic long-term growth in the long term. It's all about a partner also being able to add technological value, not just channel value.

Paul Treiber

Okay. That's helpful. I'll pass the line.

Operator

Our next question comes from the line of Thanos Moschopoulos from BMO. Your line is open.

Thanos Moschopoulos — BMO

Hi. Good afternoon. Just to drill in on the PS revenue, is there anything specific driving that? Are there maybe a handful of engagements that are unusually services heavy? Or is it more reflective of just a broad number of new clients coming on stream?

Richard Monkman

It's primarily a combination of there's a little bit of calendarization. As I mentioned, Q1 sometimes will have a bit of a slow start, whereas Q2 and Q4 are very strong uptime.

Second of all is the stage of those deployments, so there are certainly more intense periods. But we had last call talked about, Thanos, sort of looking at having our PS revenue as a—think in terms of a $5 million number, plus or minus 20 percent for those elements of variability. And I think now we're really guiding the investor to think of it as sort 5.5 million per quarter, plus or minus 20 percent.

Does that help?

Thanos Moschopoulos

Okay. No. That's helpful, yeah. Your cash balance continues to grow, and I know that M&A is a potential use of cash. But maybe in the absence of M&A, how much cash would be too much cash? Or are we still a ways away from that before you might consider other uses of cash?

Richard Monkman

Well, this is a very strong cash-generating business. It's a disciplined business. What we do look at as the cash balance, as you mention, there could be opportunities for M&A. But also it does allow us to continue to invest with confidence in the business.

Doug talked about sort of the three investment areas that we're continuing to, in fact if anything, accelerating our investments in the knowledge services, customer service operations, and partner channels. So it does allow us to provide that.

But in consultation with some of our lead investors, as well as certainly the confidence of our customers, they appreciate the stability and the flexibility that those cash balances provide to the company. So we are comfortable with the current level of cash balances and the flexibility it provides with regards to future opportunities.

Thanos Moschopoulos

Okay. And then maybe last one for Doug. Any specific changes as far as what you're seeing in the pipeline from a vertical perspective? Or would it be pretty consistent with your commentary from prior quarters as far as the mix centred towards life sciences and high-tech?

Doug Colbeth

Yeah. It's actually—the funnel today is actually very diverse. So when you look at some of the more recent verticals that we've entered, whether it's automotive or CPG and life sciences, we're seeing a lot of participation there. I would refer to high-tech electronics as what I call a steady-state scenario. It's where we came from, and it's kind of in a steady-state mode.

So the increasing funnel, so to speak, is largely due to these other vertical markets, and so we're very pleased by that. It's becoming extremely balanced among all the verticals. So that's something we wanted to really have four or five years ago, and I think we're there. We have a really nice balanced pipeline by vertical.

Thanos Moschopoulos

That's good to hear. I'll pass the line. Thanks.

Operator

Our next question comes from the line of Robert Young from Canaccord Genuity. Your line is open.

Robert Young — Canaccord Genuity

Hi. Good evening. I was wondering if you could refresh our understanding of the cadence of pro services converting into a recurring revenue stream, given that you've got this higher-than-expected contribution from pro services.

Doug Colbeth

Yeah. Let me tackle that one, Rob, and Richard may want to jump in as well. The way I look at—if you look at the first half of the year, Q1 there was some large projects where the start dates were in March. That's unusual. So I would have normally expected Q1 to be quite a bit higher than 4 million in PS. So some of that would explain why you saw a high number this quarter of 7 million or 7 million plus.

So when you talk about cadence we have lumpiness of project start dates too, not just lumpiness of bookings. So that obviously determines the revenue. However, we've also seen an uptick in PS demand where companies want to use our services and/or a partner. And I will tell you, we were able to push some work out to partners last quarter. As a company, if we didn't want to help enable partners we could have had even more billings.

So here's what we're seeing. Companies quite often are purchasing more than one application. And sometimes they're purchasing two or three in the beginning, and they really want to get going on all two or three business problems. So we've seen this uptick in PS demand, and I think it's more towards the breadth of our product. And we are bringing up these partners to go out and do some of the deployment work, but we have seen a real uptick in demand. And some of that obviously we fulfilled that demand ourselves.

But it's—I think it's a product breadth is the driver right now.

Robert Young

When can we expect pro services to lead into a recurring revenue contract? Does the recurring revenue start at the same time as the pro services? Does it start after the pro services end? Like how do we think about that?

Richard Monkman

Yeah. So our revenue arrangements there are generally the two streams, so the subscription revenue and then the professional services. The professional services—the subscription revenue, rather, has a fixed term. So for instance, if we were to sign an arrangement today that could start tomorrow's date or it could start August 15th, and the deployment of the services might not start until the beginning of September, or it could start concurrently.

But the professional services do follow the subscription revenue, and the subscription revenue is then rateable over the term. Professional services are generally on a time and material basis, so that's—to come to Doug's comment earlier about the variability, it just depends on the start of the project.

Generally speaking, though, Rob, professional services will start within 30 days of the subscription revenue arrangement.

Robert Young

Okay. And then given the profitability here in the quarter and you said that you had some—used some channel partners, are you seeing better profitability in the pro services line?

Richard Monkman

Well, yes, because what we do is we want to make sure that—our professional services team are quite senior, quite experienced; we do have a very strong bench. Our goal is when subscription arrangements close that we start those projects within 30 days, and we have the right skills and people. So we do have a strong capacity.

What was happening in this past quarter, and one of the reasons why you saw the expansion in the gross profit, was just the utilization of that team was at higher levels than it had been in the prior quarters.

Robert Young

Okay. Another way to think about it...

Richard Monkman

So there's leverage there.

Robert Young

Given the large amount of pro services now, should we be modelling gross margin down?

Richard Monkman

We're not providing annual guidance on the gross profit, but you've seen our trend. We do tend to be in that 70, low 70 percent range just with this predictable business model.

Robert Young

Okay. Last question for me is just a mechanical one. The long-term deferred revenue declined, I think, almost $2 million quarter over quarter. My understanding was most of that was that

$20 million upfront payment. I was expecting that to be $1 million a quarter sort of rated equally. So I was wondering if you could sort of—where am I wrong on that? What am I not understanding? And I'll pass the line. Thank you.

Richard Monkman

Yeah. Yeah. So there's more than one revenue arrangement that they have paid for more than one year, and so any prepaid subscription revenue that extends beyond the one-year time frame goes into long term. And so what you see in the quarter is the drawdown of that multiple—those revenue arrangements.

Robert Young

Okay. Understood. Thanks.

Operator

Our next question comes from Todd Coupland with CIBC. Your line is now open.

Todd Coupland — CIBC

Good evening, Doug and Richard.

Doug Colbeth

Hi, Todd.

Todd Coupland

I wanted to first talk about the 32 percent revenue growth. So you had talked, I think, in the past about sort of mid-20s as a target, and this is obviously better than that. Should the—like I get all the detailed explanations that we've been getting on bridging quarters and all that, but if we step back, is this actually a half a step towards actually scaling up that growth rate that you've talked about as a goal for the company?

Doug Colbeth

I'm going to tell you, I think it's a great question. I believe this, that we have to prepare for that, but I can't tell you we have hard evidence. But I think we have to prepare for what I call significant growth when the hard evidence to me is what you guys get every quarter in these announcements.

But yes, I do believe that the marketplace we play in and some of the dynamics going on in the marketplace it does allow us to expand growth as long as we make the key investments required. And that's really a major focus that we have internally is what are those key investments to enable that stronger growth?

I think many of you may remember on the road show that I had talked in three, four years to get to a 30-30 profile. This quarter was obviously higher than that 30-30 profile, which we thought might be three or four years down the road. So I mean that's good, that's good news.

The question is, do we see the potential to even drive it further? And we see some signs. We just don't have hard evidence yet. But as a company I think we need to invest and prepare for that opportunity.

Richard Monkman

But this time, Todd, as we've noted because of the enterprise nature of the large deals that we do and the timing of them that for 2015 the guidance is that we believe that's very strong and certainly stronger than guidance this year or at the road show, that 26 to 28 percent subscription revenue growth, that increase in professional services to the 22 million to 23 million range, so that's the near-term focus.

And then the investment in basically those three areas of the customer success, knowledge, and professional services are to support our ability to continue to execute on these growth rates.

Todd, do you have a follow-on?

Todd Coupland

One question, if I could. Can you hear me okay?

Richard Monkman

Absolutely. I no longer can hear you.

Todd Coupland

Can you hear me now?

Richard Monkman

Yes.

Doug Colbeth

Yes.

Todd Coupland

Yeah. Okay. Sorry about that. So your operating expenses for the last year roughly have been averaging about 9.7 million a quarter; they did again this quarter. Do you hold the line in absolute operating expenses? Or do they trend up a bit with these investments that you're speaking about?

Richard Monkman

They do trend upwards. There is seasonality also with regards to our expenses. So for instance, on the marketing front Q4, well, you were attending our Kinexions, the very large customer event; there was other external conferences. So you'll see typically higher marketing costs in Q4. Sales costs you're often in over achievement, so the sales expenses are higher. We are continuing to expand the professional services team; you've seen consistent growth in that regard.

On the G&A side, we did have unusually high costs in the corresponding quarter last year, but that was just really with regards to costs around the IPO effort. But we are advising with regards to that 26 to 29 percent full year EBITDA performance that we are going to be—you'll be seeing an increase in OpEx as we make these critical investments.

Todd Coupland

Okay. And then just one last question, if I could squeeze one in, just on the competitive front. Any way to gauge your market share in the first half of the year relative to your direct peers?

Doug Colbeth

That's a really tough one because our competitors often throw software into a deal as part of an ERP sale, and they may have done that years ago. And then someone comes back a year later to actually make a supply chain management decision as far as deployment, so it’s really difficult to answer that.

I would say, though, that our pricing strength remains very strong. Our win rates are very high when we get involved in an opportunity. So the size of deals, the win rate, and we’ve even seen an increase in the what I call overall long-term funnel.

So that’s why we remain optimistic about the business.

Todd Coupland

That’s great, gentlemen. Thanks for the colour; appreciate it.

Doug Colbeth

No problem.

Operator

Our next question comes from the line of Kris Thompson from National Bank. Your line is now open.

Kris Thompson — National Bank

Thanks. Richard, just to dive into the EBITDA guidance again, so I mean if I look at your range, at the midpoint that would imply something in the range of say 21 percent in the back half of the year. And you’ve been doing that historically and you’ve got an FX tailwind, so I'm just trying to, I think, scratch my head here to figure out what we’re maybe missing on your costs in the back half because my math would suggest you should be at least 29 percent on average for the year.

Richard Monkman

Yeah. So you touched on an interesting point with regards to FX. So as we've noted before, approximately 40 percent of our costs are in in CAD, and so this quarter, just on a comparative-quarter basis, 3 percent of the EBITDA, approximately 3 percent of the EBITDA performance was related to the Canadian dollar weakening.

There are projections as to where that's going to be going. We're more of a conservative nature. But we also going to be making those key investments and increasing our rate of investment, and so there was a bit of a seasonality and certain costs were low this quarter. And also we are in the early stages of those investment plans.

And as you saw last year with we're quite conservative with regards to our expense management, so our practice, for instance, on customer acquisition cost is to fully expense those on the start of the revenue arrangement. And that on one transaction alone was $0.05 per share impact. And so at this point in time, Kris, there are a number of factors. We want to focus on driving growth in the business. And we want to do that at a strong EBITDA performance, and at this point we're comfortable guiding to that 26 to 29 with all those investment, FX, and Q4 items in the mix.

Kris Thompson

Okay. That's fair. And, Richard, you mentioned writing off customer acquisition costs when you win them. Do you have any large—last quarter you had that $20 million customer. Do you have any large or maybe, Doug, any large potential customers like that in the pipeline that you think you might close within the next few months and maybe you'll wait to update you guidance in Q3 to see if that's going to land?

Doug Colbeth

Yeah. Well, we will obviously update guidance in Q3 for you folks, and that I believe is the end of October. There is nothing at this point.

The way our sales cycles work, even when we work on large opportunities, large opportunities are also the ones that can have the longest sales cycles. So in the world we've been in, because we've been in it so long I just would not want to forecast to you or the Board on those types of transactions because they can take all sorts of twists and turns.

But as soon as we can update you all we'll do it, and I know we're scheduled to get together at the end of October.

Kris Thompson

Okay. And fair enough. Doug, while I have you…

Doug Colbeth

A long way to say no, I guess.

Kris Thompson

I got it. I got it. Since you guys announced the upgrade program for SAP APO migrations what kind of activity have you had on that program?

Doug Colbeth

Yeah. We've had a couple situations that we feel were due to that. Now these are going into the beginning a very long-term sales funnel these opportunities. We're very interested. Obviously, we're very interested to see if it's not just APO; is the market getting ready for a sea change in swapping out some of these what I call old legacy planning systems.

So we think there's going to be an opportunity there and an opening, but when we announce something like this the APO customers they start to investigate. But I can't tell you it's an avalanche, but there has definitely been interest.

Kris Thompson

Okay. And just the last one for me, Maybe, Doug, another one you might not answer, but there's been some chatter about a possible NASDAQ listing. I'm going to blame Richard for talking to the Ottawa press on that one; I saw a quote a couple months ago. Can you just update us on that, if you can?

Doug Colbeth

Well, yeah, I mean I'm going to let Richard update you on that.

Richard Monkman

No. Yeah. The quote I think that you're referring to was cited sometime prior, but the question was do you see yourself as a potential NASDAQ company, and we believe that that is a very—my quote-unquote "was a viable option". And that we have, if you take a look at that the SaaS index, we are positioned very well from a revenue growth perspective.

It is highly unusual to have a strong bottom line performance. Because of the nature of our arrangements and being longer term we have the consistency; we don't have the annual churns. So there are a number of factors that make us a strong candidate. However, at the same point in time we've been very appreciative of the response we receive and the support we receive from the TSX.

We are a Canadian-based company, and so at some point in time that would probably make sense, but it's something that we're going to continue to evaluate. And we just don't, Kris, have any firm time line on that.

Kris Thompson

Fair enough. Thanks for all my questions, guys.

Operator

This concludes the questions for today's call. I'll now return the presentation over to the presenters.

Doug Colbeth

Thank you all for participating on today's call. We appreciate your questions, as well as your ongoing interest and support of Kinaxis. We look forward to speaking to you again in October when we report our Q3 2015 results.

Thanks, folks.

Richard Monkman

Thank you.

Operator

This concludes today's conference call. You may now disconnect.

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