

UK software firm Micro Focus suffers share price collapse

March 19 2018



London's benchmark FTSE 100 index was down 1.25 percent

The share price of British software maker Micro Focus collapsed Monday by more than half on the back of a poorly-received trading update and the departure of its chief executive.

Micro Focus warned in a statement that year-on-year revenues had fallen by more than anticipated since January, sending its shares slumping 55.88 percent to 831.40 pence.

That made it easily the biggest faller on London's benchmark FTSE 100 index, which was down 1.25 percent overall.

The company added it was grappling with the impact of its recent \$8.8 billion (7.2 billion euro) purchase of software assets of Hewlett Packard Enterprise (HPE). The deal was completed last September.

Micro Focus added that boss Chris Hsu, a former HPE executive, had decided to step down immediately "in order to spend more time with his family and pursue another opportunity".

Chief operating officer Stephen Murdoch becomes CEO with immediate effect.

"Since the interim results on 8 January 2018, the rate of year-on-year revenue decline has been greater than anticipated," Micro Focus said in the statement.

"The recent [revenue](#) performance is primarily due to lower than expected licence income and is a result of a number of factors, which management believe to be largely one-off transitional effects of the combination with HPE software."

The group forecast revenues over the 12 months to October would fall by between six percent and nine percent.

That was down from prior guidance for a decline of between two percent and four percent.

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