

Software Developer Luxoft Jumps in NYSE Debut

By [The Moscow Times](#)

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Shares of Luxoft Holding Inc., a provider of software and consulting services to companies such as Boeing and UBS, soared in their New York debut, mirroring the strong performance of rival Epam Systems last year.

Luxoft shares rose as much as 23.5 percent to \$21 in morning trade on the New York Stock Exchange, valuing the unit of Russian IT group IBS Group at about \$684 million.

"We will continue to grow our business at around 20 percent this year," Luxoft Chief Executive Dmitry Loshchinin said Wednesday after the company's stock started trading.

"We are going to continue providing the same margins that we have been doing in the past," he said.

Luxoft recorded an operating margin of about 14 percent in the year ended March 31 on sales

of \$314.6 million and net income of \$37.5 million. About 90 percent of its sales came from North America and Europe.

The company has been growing strongly. In the year ended March 2011, profit was \$25.9 million on sales of \$198.4 million.

Frankfurt-listed IBS had been planning the IPO since the strong debut of Luxoft's Russian rival, Epam, in February last year.

Shares of Epam — considered the Eastern European equivalent to offshore outsourcing companies such as India's Infosys and Cognizant Technology Solutions — rose as much as 25 percent in their debut.

The stock has almost doubled since then, valuing the company at \$1.18 billion.

"Last year was not the best time. Spring was not very friendly, so we decided to wait. Now its much better timing," said Loshchinin, a software engineer who has run Luxoft since its inception in 2000.

Luxoft sold half the 4.1 million Class A shares that were offered on Wednesday, raising about \$35 million. It had priced the shares at \$17 each, the midpoint of the indicative range.

IBS, which sold the remaining 2 million shares, will have a 82.9 percent voting stake in Luxoft.

UBS, Credit Suisse Securities and JPMorgan Securities were among the underwriters to the offering.

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