Dell's 2Q comes amid PC strife

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(AP) -- Dell Inc.'s latest earnings come at a difficult time for the PC industry. Consumer demand is sagging, as tablets and smartphones steal market share. The Round Rock, Texas-based company's fiscal second quarter results, scheduled to be reported after the market closes on Tuesday, Aug. 16, are expected to highlight those pressures while underscoring Dell's focus on corporate PCs, an area of strength right now.

WHAT TO WATCH FOR: The consumer PC market is widely known to be suffering. Meanwhile, corporate demand is helping. Analysts will be watching closely for signs of how well Dell is managing that tricky balance. Dell is banking on additional lines of business, such as technology services, to help protect it against swings in PC sales.

There are continued signs of weakness. Evercore analyst Patrick Wang wrote in a research note this week that "PC sentiment has been negative for some time" and that recent checks with suppliers indicate that demand hasn't picked up.

WHY IT MATTERS: Dell is the world's No. 2 PC maker. And its focus on corporate, rather than consumer PCs is proving helpful, with consumer PC demand flagging. Some 80 percent of Dell's PC revenue comes from corporate and government customers.

WHAT'S EXPECTED: Analysts polled by FactSet expect earnings of 49 cents per share, excluding items, on $15.74 billion in revenue.

LAST YEAR'S QUARTER: In the year-ago period, the company earned 32 cents per share on an adjusted basis, on $15.5 billion in revenue.

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