

How chips, PCs, services companies are faring

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Personal computer makers have been scrambling to adapt to a technological upheaval unleashed by Apple Inc.'s line of sleek devices such as the iPhone and iPad and by a shift toward Internet-based software services instead of programs installed on individual machines.

Here's a look at how selected companies providing computers, components, services and related software are faring:

— July 5: [Seagate Technology](#) PLC warns that its quarterly revenue will fall below expectations, after shipping fewer hard drives than expected partly because of a quality issue with a supplier for its business product lines. The company also said its rivals recovered faster than expected from disruptions caused by last fall's heavy flooding in Thailand. That meant Seagate had to cut back on shipments.

— July 9: Chipmaker Advanced Micro Devices Inc. says it's lowering its guidance because of weaker-than-expected sales in China and Europe and lackluster demand overall from consumers.

— July 11: Gartner and IDC issue separate reports showing that [personal computer sales](#) sagged during the spring as shifting technology trends, upcoming product releases and a shaky economy dampened demand for the machines currently on the market. The second-quarter decline in the U.S. ranged from 6 percent to 11 percent compared with the same time last year. Worldwide PC shipments held up better during the quarter, dipping by just 0.1 percent from last year.

— July 12: Printer maker Lexmark International Inc. says it fared worse during the second quarter than management anticipated, providing the latest evidence of a weakening economy.

— July 17: [Intel Corp.](#), the world's largest chipmaker, says the weak [global economy](#) is slowing its growth, and revenue for the current quarter is likely to come in below Wall Street forecasts. Intel says consumer demand in North America and Western Europe is not recovering as fast as expected, while growth in emerging markets such as China and Brazil is slowing.

— July 18: IBM Corp. says its quarterly earnings rose 6 percent despite a 3 percent decline in revenue amid Europe's economic jitters. IBM has been able to boost its earnings even when revenue is weak by focusing more on businesses with higher profitability—software and technology services—rather than machines. Software was the only part of IBM's business that didn't register a decline from last year, with revenue remaining level. The turmoil in Europe hurt IBM's results as currencies there weakened, translating into fewer U.S. dollars.

Qualcomm Inc. says it had higher profit and revenue in the latest quarter, but it offers a weaker forecast for the current quarter because of supply issues. The company previously disclosed it has some limitations in getting chips made in the right size by outside suppliers. The mobile phone chip company insisted demand for its products remains high and earnings will improve by the end of 2012.

— July 19: Microsoft Corp. says a flat market for personal computers put a damper on Windows sales, though sales of business software and servers were strong. Investors are now looking to the Oct. 26 release of Windows 8, which could boost sales and help Microsoft mount a challenge to Apple's [iPad](#), as the new operating software is designed for touch-based computers as well as traditional, mouse-controlled ones.

Microsoft says it expects Windows revenue to remain roughly in line with the PC market, which is expected to stay flat through the current quarter.

Chipmaker [Advanced Micro Devices](#) Inc. says trouble in the global economy dragged net income down 40 percent. AMD says it is taking steps to improve its performance, but "headwinds" will continue into the third quarter.

SanDisk Corp. says net income plunged as the company sold fewer memory chips to mobile device makers. But the results exceeded analyst expectations. SanDisk says there was "short-term weakness" in sales to mobile device makers. The company says retail sales were strong, and SanDisk saw more demand from businesses and companies for solid-state drives that are increasingly popular in home and office computers.

— July 20: Xerox Corp. says earnings fell 3.1 percent, as continued weak economic conditions, especially in Europe, reduced revenue at its technology business. Xerox says that in light of the continued economic uncertainty, it expects technology revenue, which includes the sales of document systems, supplies, technical services and the financing of products, to continue to be weak. It issues lower-than-expected third-quarter profit guidance and cuts its earnings prediction for the full year.

— July 23: Texas Instruments Inc. says sluggish demand amid the weak global economy slashed profit by one-third in the second quarter, and the chip maker warned that its customers are becoming "increasingly cautious" about placing new orders.

— July 24: Apple Inc. reveals that its growth slowed in the most recent quarter. In both revenue and net income, the company posted the smallest increases in years and failed to meet analyst expectations. Apple is still selling a lot of iPad, iPhone and Mac devices, but the average

selling prices are down.

EMC Corp. says its second-quarter earnings climbed 19 percent as its data storage products fed a voracious appetite for equipment to manage the barrage of information unleashed by Internet-connected computers and smartphones. Results mirrored preliminary figures released a week earlier.

SAP AG says fewer but bigger software deals and increased sales to financial and retail companies helped the company post a 12 percent increase in earnings in the second quarter.

Broadcom Corp., a maker of communications chips, says net income fell 9 percent as its expenses rose, but the results beat Wall Street's expectations.

Chipmaker Altera Corp. says net income fell 24 percent as revenue declined, but the results beat expectations.

— July 25: Hard drive maker Western Digital Corp. says net income jumped nearly five-fold in the quarter through June, beating analyst expectations, as it reaped the benefits of its \$3.9 billion acquisition of Hitachi Global Storage Technologies.

— July 30: Hard disk drive maker Seagate Technology PLC says its quarterly earnings and revenue jumped. But they still missed Wall Street expectations. Seagate blamed the shortfall on supplier problems. The report follows a warning issued weeks earlier.

— Aug. 8: Hewlett Packard Co. says it will take a massive charge against its earnings for the quarter through July, reflecting that the company overpaid for its purchase of Electronic Data Systems in 2008. The services business provides information technology and outsourcing

services to corporations. It has seen flat revenue for the last two years, and its operating profit has declined.

— Aug. 9: Nvidia Corp., which makes graphics chips and processors for PCs, tablet computers and other devices, reported second-quarter results that beat Wall Street expectations. It also issued a strong third-quarter revenue forecast. The company says it was helped by sales of products for tablets and it made strong gains in its graphics processing business, despite a weak market.

— Aug. 16: Lenovo Group Ltd. says PC shipments grew 24 percent in the latest quarter. Shipments in the Asia-Pacific region and Latin America rose 59 percent while those to Europe, the Middle East and Africa were up 62 percent. In North America, it grew nearly 9 percent—strong for the market.

— Aug. 21: Dell Inc. says its slump deepened in its latest quarter as the growing popularity of smartphones and tablets undercut sales of its desktop and laptop computers. In a sign of further weakness ahead, Dell lowers its earnings target by 20 percent for its fiscal year ending in January. That comes even though adjusted earnings for the just-completed quarter topped analyst projections. Dell also announced a new leader for its division that oversees many of its corporate products, including computer networking and data storage.

— Aug. 22: Hewlett-Packard Co. says unit shipments in its PC division fell 10 percent during the May-July quarter—6 percent for desktops and 12 percent for notebooks. That division saw revenue fall 10 percent from last year to \$8.6 billion.

— Aug. 23: Cloud computing company Salesforce.com Inc. says its second-quarter loss more than doubled from a year ago as costs rose faster than revenue. Although the results still beat analyst expectations,

its outlook for the current quarter and the rest of the year was mixed relative to expectations.

— Tuesday: Printer maker Lexmark International Inc. is cutting 1,700 jobs, or almost 13 percent of its work force, and says it will stop making inkjet printers as part of a drive to cut costs as it deals with shrinking sales of inkjets.

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