

United Tech CFO says Europe a drag on 2013 revenue

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Revenue growth at United Technologies Corp. this year will likely be crimped due partly to Europe's weak economy, the chief financial officer said Thursday.

The aerospace giant backed its 2013 earnings per share estimate of \$5.85 to \$6.15. CFO Greg Hayes told analysts that the company's forecast last December of 2013 revenue growth of 3 percent to 5 percent, not accounting for acquisitions, will be in the middle and not high end of that range.

"It's not probably as good a year on the top line as we expected," he said. "Europe has been a drag. It's been a little bit worse than what we expected on the top line."

The company said in December it expects revenue, including its acquisition of aerospace parts maker Goodrich Corp., to be up 10 percent to 12 percent, to between \$64 billion and \$65 billion.

Analysts surveyed by FactSet expect earnings of \$6.11 per share on revenue of \$64.53 billion.

Revenue last year was \$57.71 billion, up 4 percent from 2011.

Hayes is optimistic about the strength of the airline industry. Revenue passenger mile, the number of miles traveled by passengers, is expected to be up 5 percent this year and [airline industry](#) profit is expected to be

\$12.5 billion, double from last year, Hayes said. [Oil prices](#) also have stabilized, he said.

"All those signs point to prospects for a very good recovery in the back half of the year and into next year," Hayes said.

Order trends have been improving from the second half of 2012 and the [first quarter](#) of the year, he said.

"Things are getting better. I think it's going to be a decent year in the commercial aerospace side," Hayes said.

The military side of the aerospace business is "a little different," he said.

[United Technologies](#) has said the automatic [budget cuts](#) that took effect earlier this year will cut earnings by about 10 cents per share and Hayes said the company expects the Pentagon to make nicks in many small programs rather than impose large cuts.

"You can probably characterize this as death by a thousand cuts," Hayes said.

Shares rose \$1.45, or 1.6 percent, to \$94.13 in afternoon trading. That is near the high end of their 52-week range of \$70.95 to \$98.18.

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