

A look at recent tech-industry earnings

August 13 2012, by The Associated Press

Groupon became the latest company to report quarterly earnings, and its revenue growth fell short of analyst estimates.

Here is a summary of recent earnings and reports for selected [technology companies](#) and what they reveal about the state of spending and the overall [economy](#):

— July 2: Microsoft Corp. says it is absorbing a \$6.2 billion charge to reflect that one of the biggest deals in its 37-year history, for online ad company aQuantive, turned out to be a dud.

— July 6: Samsung Electronics Co. estimates its second-quarter operating profit at 6.5 trillion won to 6.9 trillion won (\$5.7 billion to \$6.1 billion), a 79 percent jump from a year earlier based on the midpoint of that range. Analysts say the sharp rise in operating profit was driven by the success of its Galaxy line of smartphones. However, Samsung's stock fell as lower-than-expected overall sales underlined the threat from Europe's economic malaise.

— July 9: Chipmaker Advanced Micro Devices Inc. lowers its quarterly forecast, blaming weaker-than-expected sales in China and Europe and lackluster demand overall from consumers. AMD says it expects revenue to fall by 11 percent from the previous quarter, below its earlier forecast of a 3 percent decline.

— July 10: BlackBerry maker Research in Motion Ltd. asks disgruntled investors at a shareholders meeting for patience as it develops new

devices to rival the iPhone and Android smartphones. The company reiterates a warning that the next several quarters will be challenging. It also expects to book another operating loss in the current quarter as the company cuts prices to sell its older BlackBerry models.

— July 17: Yahoo Inc. reports another lackluster quarter on CEO Marissa Mayer's first day on the job. It continues years of financial lethargy that has plagued the one-time Internet pioneer as Google and Facebook have prospered. Net income fell 4 percent from a year ago, and adjusted earnings were short of expectations.

Intel Corp., the world's largest chipmaker, says revenue for the current quarter is likely to come in below Wall Street forecasts as it blames "a more challenging macroeconomic environment."

— July 18: IBM Corp. reports its 38th consecutive quarter of earnings increase. Net income rose 6 percent despite a 3 percent drop in revenue amid Europe's economic jitters. IBM revenue in Europe, the Middle East and Africa fell by 9 percent from last year. The turmoil in Europe hurt IBM's results as currencies there weakened, translating into fewer U.S. dollars. IBM says revenue would have been slightly higher than last year if currency-exchange rates had remained the same.

EBay Inc. more than doubled its second-quarter net income thanks to higher revenue from its PayPal online payments business and its e-commerce websites. Its marketplaces business, which includes its flagship website, saw the strongest growth rate since 2006.

— July 19: Google Inc. says its second-quarter earnings rose 11 percent despite a deepening decline in the prices paid for its Internet search advertising. The results included Google's \$12.5 billion acquisition of cellphone maker Motorola Mobility Holdings Inc. for the first time. Revenue climbed 35 percent from last year to \$12.2 billion. If not for

Motorola, revenue would have increased by 21 percent.

Microsoft Corp. says a \$6.2 billion accounting adjustment to reflect a weak online ad business led to its first quarterly loss in its 26 years as a public company. The company had a loss of 6 cents a share, compared with earnings of 69 cents a share a year ago. Adjusted earnings beat expectations, and the stock rose.

Verizon Communications Inc. says net income rose 13 percent in the second quarter as its wireless arm pulled in record profits. But its traditional, wired phone business was weaker. Like other phone companies, Verizon is losing landlines, but has been compensating to some extent by signing up broadband customers. In the second quarter, that trend faltered, as it gained just 2,000 broadband customers — the worst result in four years.

— 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. It wasn't so much the volume of sales, but Apple's average selling prices declined.

At AT&T Inc., meanwhile, declining smartphone sales contributed to the best profitability ever in its wireless arm as it saved on phone subsidies. AT&T says it activated fewer smartphones in the quarter, much of it because subscribers are holding to their phones longer. That's good news for the company because it doesn't have to shell out as much in subsidies to sell the phones to customers for \$99 or \$199.

Netflix Inc. reports a 91 percent reduction in second-quarter earnings amid a slowdown in subscriber growth. Netflix Inc. added 1.1 million worldwide subscribers to its streaming service — in line with management predictions, but below what analysts had hoped for.

— July 25: Online game maker Zynga Inc. reports a loss in the second quarter, with adjusted earnings and revenue below Wall Street's already low expectations. Zynga also lowers its outlook for the year, citing game delays, reduced expectations for "Draw Something" and what it called a "more challenging environment on the Facebook Web platform." Changes Facebook made to its website can make older games such as "FarmVille" more difficult to discover.

— July 26: Facebook Inc.'s first earnings report as a public company had solid numbers, but in the end it landed with a thud — much like its rocky initial public offering two months earlier. Facebook reported stronger-than-expected revenue and a gain in user numbers, but investors weren't impressed. After a brief spike, its stock fell.

Sprint Nextel Corp., the country's third-largest wireless carrier, reports a wider loss for the second quarter as wrote down the value of its moribund Nextel network. However, Sprint was successful in persuading smartphone subscribers to pay up for "unlimited data" service, and its service revenue zoomed, beating estimates.

Online retailer Amazon.com Inc. reports earnings that matched Wall Street's meager expectations, but its revenue gains and outlook for the current quarter fell short of forecasts.

— July 27: Samsung Electronics Co. reports another record-high quarterly profit as customers flocked to Galaxy smartphones. Samsung benefited from runaway demand for its Android-powered smartphones as rivals including Apple Inc. had yet to release new models. Robust sales of smartphones helped offset a slowdown in other consumer electronics businesses such as televisions.

— Aug. 1: Comcast Corp. says strong results from cable operations overcame weak returns from the box-office flop "Battleship" at its

Universal Pictures studio. Net income and revenue increased. In cable, average monthly fees were up 8 percent from last year to \$148.57, helped by customers upgrading to faster broadband speeds and getting more premium channels. Overall, cable revenue grew 6 percent, demonstrating that Comcast continues to do better than smaller cable companies.

— Aug. 2: LinkedIn Corp. says [net income](#) fell as it spent more money to grow its business. But the professional networking site saw revenue grow faster than expected and raised its forecast for the year.

Sony Corp. says its loss worsened in the April-June quarter and it lowered earnings forecast for the fiscal year through March as it battles a strong yen and declining sales of liquid crystal display TVs and video game machines. Sales increased 1.4 percent, helped by cameras, professional broadcasting products and mobile phones.

— Aug. 8: Hewlett-Packard Co. says it will take a massive charge against its earnings for the quarter through July, leading to a record loss of nearly \$9 billion. The charge is the result of a writedown of the value of its services business, reflecting that the company overpaid for its purchase of Electronic Data Systems in 2008.

— Monday: Groupon Inc. underwhelms investors with sales growth hurt by unfavorable currency-exchange rates, even though Groupon improved profitability by reducing the cost of acquiring customers by 43 percent, while increasing the number of active customers by 65 percent.

Coming up:

— Wednesday: Cisco Systems Inc.

— Aug. 21: Dell Inc.

— Aug. 22: Hewlett-Packard Co.

— Sept. 27: Research in Motion Ltd.

Copyright 2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: A look at recent tech-industry earnings (2012, August 13) retrieved 24 April 2024 from <https://phys.org/news/2012-08-tech-industry.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.