

Mercury Computer Systems' 2Q profit surges

The Associated Press

Mercury Computer Systems Inc., which makes digital signal processing systems for the defense and medical imaging markets, said Tuesday its profit more than doubled in its fiscal second quarter on a 23 percent jump in revenue.

The company reported net income of \$5.2 million, or 22 cents a share, for the three months ended Dec. 31. That compares with net income of \$2.1 million, or 9 cents a share, in the prior-year period.

Excluding the impact of costs related to taxes, depreciation, stock-based compensation and acquisitions, Mercury's earnings amounted to \$10.7 million, the company said.

Revenue grew to \$55.5 million from \$45.2 million the year before, driven in part by higher revenue from defense customers.

Analysts surveyed by FactSet expected earnings of 17 cents a share on \$54.6 million in revenue.

Mark Aslett, the company's president and chief executive, said he's looking forward to an early approval of the U.S. defense budget to help alleviate concerns surrounding Department of Defense funding levels and the timing of projects this year.

"Our pipeline is strong and continues to grow," Aslett said. "We're doing a good job winning new designs and strengthening our presence on important, well-funded programs."

Mercury ended the quarter with a backlog of \$96.8 million, with some \$82.2 million representing orders scheduled to be shipped over the next 12 months.

Aslett said he expects to see solid growth in revenue and earnings this year.

For the third fiscal quarter, Mercury expects earnings per share from continuing operations to range from 16 cents to 18 cents, and for revenue to range from \$58 million to \$60 million.

Analysts are looking for a profit of 15 cents on revenue of \$56.5 million, according to FactSet.

Mercury shares added \$1.25, or 7 percent, to \$19.09 in aftermarket trading on Tuesday. The shares slipped 14 cents to \$17.84 during the regular session.

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