Lexmark's 4Q earnings miss analyst projections

The Associated Press

Printer maker Lexmark International Inc. said its fourth-quarter net income fell 91 percent as sales continued to shrink faster than expenses, and its shares fell.

The company's earnings fell well below Wall Street expectations, but sales were stronger.

The Lexington, Ky., company is suffering from the shrinking use of paper. Instead of the inkjet printers, which were used mostly by individual customers, Lexmark plans to focus on higher-end printers aimed at offices and customers that still use a lot of paper, such as advertisers and catalog publishers.

Lexmark shares fell $4.20, or 15 percent, to $23.75 Tuesday. It was the lowest level for the shares since December.

In the October-to-December quarter, Lexmark earned $6.3 million, or 10 cents per share. That compares with earnings of $69.3 million, or 94 cents per share, a year ago.

Excluding the costs of restructuring and some acquisitions, earnings were 61 cents per share in the latest quarter, compared with $1.25 per share a year earlier. Analysts were expecting 90 cents per share on that basis, according to a poll by FactSet.

Revenue fell 9 percent to $967.4 million from $1.06 billion. Analysts were on average expecting sales of $933 million.

For the current quarter, Lexmark is forecasting adjusted earnings of 80 cents to 90 cents per share. Analysts were expecting $1.04 per share.

The company expects revenue to decline by 11 percent to 13 percent. Analysts were expecting a decline of just over 11 percent.

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