

Analog Devices 4Q profit up but forecast tepid

The Associated Press

Chipmaker Analog Devices Inc. reported late Tuesday that its fiscal third-quarter net income increased nearly 4 percent as lower expenses helped offset a slight drop in revenue. It issued a tepid earnings forecast for its current quarter and its shares slipped in after-hours trading.

The Norwood, Mass., company known as ADI earned \$176.2 million for the quarter that ended Aug. 3. That is up from \$169.8 million in the same quarter last year. Its earnings were flat on a per-share basis at 56 cents per share.

After adjusting for restructuring costs and other special expenses, the company earned 57 cents per share versus 56 cents per share last year. Operating expenses dipped to \$226.7 million from \$235.4 million.

ADI's total revenue slipped to \$674.2 million from \$683 million.

Analysts polled by FactSet, on average, were anticipating adjusted earnings of 54 cents per share on revenue of \$671.9 million for the period.

"There are signs that a gradual recovery in the macroeconomic environment is underway and we are in a strong position to benefit from the return of capital investments in communications and industrial infrastructure programs," Vincent Roche, ADI's president and CEO, said in a statement.

ADI expects to earn between 55 and 61 cents per share on an adjusted basis for its fiscal fourth quarter on revenue between \$675 million and \$700 million. Analysts had forecast earnings of 59 cents per share on revenue of \$698.5 million.

Shares of the company slipped \$1.07, more than 2 percent, to \$46.78 after hours. Its shares had increased 7 cents to close regular trading at \$47.85.

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