

Snap-On 1Q Net Income Up 26 Percent

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

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The Associated Press

KENOSHA, Wis. (AP) — Snap-on Inc. said Thursday that its first-quarter profit climbed 26 percent as revenue rose on strong demand for its tools and equipment.

CEO Nick Pinchuk said the improved results are due in part to the company's efforts to enhance its franchise network of tool dealers and expanding the market for vehicle repair equipment.

Snap-on is also building its presence in developing countries, where economic growth rates in recent years have often outpaced those in countries like the United States.

The company said its net income rose to \$71 million, or \$1.21 per share, for the quarter ended March 31 from \$56.2 million, or 96 cents per share, in the same period a year ago.

Revenue rose 6 percent to \$735.2 million from \$693.7 million in the prior year period.

Analysts had expected earnings of \$1.16 per share on revenue of \$736.8 million, according to a survey by FactSet.

Snap-on did not provide detailed profit forecasts for the full year, but the company said it expects capital expenditures in 2012 to be between \$60 million and \$70 million. It spent about \$21.8 million of that during the first quarter.

Restructuring expenses in the second quarter are expected to about \$8 million, including costs for a pension plan settlement from the 2011 closure of Snap-on's plant in Newmarket, Canada.

Its shares rose \$1.43, or 2.4 percent, to \$61.08 in midday trading. Shares are trading near their year-high level of \$64.36 reached last July. The stock has climbed 46 percent from a low of \$41.74 last October as more investors have become optimistic that global economic growth will strengthen, increasing demand for tools and equipment.

Source URL (retrieved on 09/21/2014 - 4:07am):

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