

GT Advanced Shares Drop On Disappointing Outlook

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

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The Associated Press

NASHUA, N.H. (AP) — GT Advanced Technologies Inc.'s shares sank Tuesday after the solar manufacturing company said tough market conditions will weigh heavily on its fourth-quarter and annual earnings. And next year doesn't look any better.

The Nashua, N.H., company expects a loss of 5 to 10 cents per share on an adjusted basis for the quarter ending Dec. 31. That falls far short of the profit of 17 cents per share that analysts estimated, according to FactSet.

GT Advanced forecast revenue of \$95 million to \$102 million. Analysts expected \$162.3 million.

GT Advanced also said it expects to make 77 to 82 cents per share on an adjusted basis for 2012 on revenue of \$726 million to \$733 million. Analysts forecast \$1.03 per share on revenue of \$811.9 million.

For the fiscal year ending Dec. 31, 2013, the company sees adjusted earnings of 25 to 45 cents per share on revenue of \$500 million to \$600 million. Analysts forecast 81 cents per share on revenue of \$803 million.

GT plans to report full fourth-quarter and full-year results for this year in February.

Tom Gutierrez, president and CEO, said the outlook reflects soft market conditions, tight lending for the industry and a challenging economic environment.

"We have taken actions to size our business in accordance with the environment and expect to remain profitable (in our 2013 fiscal year)," he said in a statement. "While current market conditions are unlikely to improve over the next twelve months, we remain confident about our long term future and we expect to exit this downturn as a stronger more diversified company with market leading positions in several growth industries."

GT Advanced shares fell 38 cents, or 11 percent, to \$3.08 in afternoon trading.

Solar companies overall are struggling with a glut of product and weakening demand that has weighed on their profitability.

Raymond James Equity Research analyst Pavel Molchanov said that the guidance was decidedly disappointing and far below his already reduced estimates. The analyst said banks are cutting the cord on lending for the solar industry, which has frozen up spending for some of GT Advanced's customers. It also is part of the reason behind the company's backlog of inventory.

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Molchanov downgraded the company from "Outperform" to "Market Perform". Despite the downgrade, the analyst said that the company remains one of the healthier and better positioned companies in the struggling solar manufacturing business.

Source URL (retrieved on 12/19/2014 - 1:47am):

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