Lear Expects Revenue To Top Wall St. Forecasts

The Associated Press

SOUTHFIELD, Mich. (AP) — Lear Corp. expects its 2012 and 2013 revenue will beat Wall Street's forecasts.

The automotive seating and electrical power management systems supplier is also boosting its existing stock buyback program by $800 million to $1.5 billion and replacing a $500 million credit line with a new $1 billion revolving facility.

Lear said Monday that it expects 2012 revenue of about $14.5 billion, with adjusted net income of $520 million to $560 million.

Analysts estimated revenue of $14.34 billion, according to FactSet.

For 2013 the company sees revenue between $15 billion and $15.5 billion, with adjusted net income of $420 million to $455 million.

Wall Street expects revenue of $14.99 billion.

Lear said its sales backlog for 2013 to 2015 is $1.8 billion and margins should improve in 2014 and 2015.

Lear's stock repurchase program was extended until Jan. 10, 2016 and allows the company to buy back $198 million under its prior program. Lear had repurchased $502 million of its stock as of Dec. 31.

Lear said that it currently has commitments for most of a $1 billion credit line and expects to complete the transaction by month's end. In addition the Southfield, Mich. company is offering $500 million in senior secured notes due 2023.

Lear said that the financial moves it is making will boost its liquidity by about $1 billion. It plans to use that for general corporate purposes including redeeming $70 million in existing notes, investing in emerging markets and buybacks.

Standard & Poor's Ratings Services increased Lear's corporate credit rating one notch in junk status to "BB+" from "BB." S&P said Monday that even though there was soft demand in Europe last year, Lear's margins have held fairly steady and it expects the company to generate a solid level of free operating cash in 2012 and 2013.

The company's outlook is stable.

Lear shares fell 45 cents to $47.56 in midday trading.

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