

Industrials Industry Earnings Call Transcripts Report

Keywords: currency, forex, foreign exchange, fx, dollar

From 3M (MMM) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 19:19:15

Thank you, Inge, and good morning everyone. Please turn to slide six for a recap of our Q3 sales performance. Organic local currency sales declined 80 basis points in the third quarter, with volumes down 1.4% and selling prices up 0.6%. Our acquisitions of Capital Safety and Membrana net of three small divestitures added 0.3 percentage points to sales. And foreign currency translation increased sales by 0.5%. In U.S. dollar terms, worldwide sales were flat versus the third quarter of last year.

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Published on 2016-10-25 at 19:19:15

Looking at headwinds, first year acquisitions reduced margins 10 basis points. This includes the impact of Capital Safety and Membrana. We continued to accelerate strategic growth investments across the portfolio and took actions to further optimize our manufacturing footprint, which reduced margins by 40 basis points. The impact of lower year-on-year foreign currency hedge gains decreased margins by 50 basis points. And finally, organic volume declines along with related utilization impacts reduced margins by 90 basis points. Most impacted were our Industrial and Electronics & Energy businesses.

From 3M (MMM) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 19:19:15

Let's now turn to slide eight for a look at EPS. Earnings per share in the third quarter were \$2.15, an increase of 4.9% versus the third quarter of 2015. Margin expansion net of organic sales declines added \$0.05 to earnings per share in Q3. Foreign currency impacts, net of lower year-on-year hedge gains, reduced pre-tax earnings by \$20 million or the equivalent of \$0.02 a share.

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We now expect 2016 GAAP earnings in the range of \$8.15 to \$8.20 per share versus a prior range of \$8.15 to \$8.30. The narrowed range equates to approximately 8% EPS growth year-over-year. Full-year organic sales growth is now expected to be approximately flat, at the low end of our previous range of flat to up 1%. Foreign currency translation is now anticipated to reduce sales by approximately 1% versus a prior range of down 1% to 2%. Acquisitions, net of divestitures, will add 1% to full-year sales growth. The full-year tax rate is now expected to be approximately 29% versus a prior range of 29% to 29.5%. Lastly, we continue to expect free cash flow conversion in the range of 95% to 105% for the full year.

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So I would say all businesses except one, which is oral care, had positive organic local currency growth. And oral care was flat, so still showed growth but it was tempered. And by definition, I'm not concerned at all relative to the future of that business. And we continue to invest for the future. We've done quite some investment, as you know, the last couple of years. So there's no concern. Was just that it slowed down and it was basically in the last months of the quarter.

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Okay. No, it's worth a try I guess. And then on pricing, I was quite surprised to see Latin America/Canada still above 5% given that the currency movements are starting to level off year-over-year. So I'm wondering, is that more of an inflationary type of impact that we're seeing with our pricing? And therefore, would that be stickier going forward?

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Yeah. Hi. Good morning, Laurence. Yeah. Well first of all, if you take our operation in China, we, ex-Electronic, we have 4% organic local currency growth in the quarter. If you take in Electronics into it which actually was down 11%, we were down 2 percentage for China. Now, if there is a clear improvement is what I will consider domestic-driven businesses. So if you take the five business groups for us in China, SGBG grew 18%, Consumer 12%, Health Care 8%, and Industrial 2%. And then Electronic & Energy was down. But if you think about that, we had four or five business groups in China growing. And it was very much in consumer healthcare, automotive aftermarket, automotive OEM, and personal safety.

From Acuity Brands' (AYI) CEO Vernon Nagel on Q4 2016 Results - Earnings Call Transcript
Published on 2016-10-05 at 17:53:07

Looking more closely at the fourth quarter, net sales grew 22% compared with the year ago period. We estimate our sales volume grew an impressive 13%. The additions of Distech and Juno increased net sales another 12 points while changes in price mix and foreign currency reduced net sales by approximately two points and one point respectively.

From Acuity Brands' (AYI) CEO Vernon Nagel on Q4 2016 Results - Earnings Call Transcript
Published on 2016-10-05 at 17:53:07

Further we expect employee related cost to continue to rise primarily due to increases in associate headcount, wage inflation and the negative impact of rising healthcare cost. Next, we continue to be leery of foreign currency exchange rate fluctuations which are always unpredictable.

From Alaska Air Group (ALK) Bradley Tilden on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-20 at 21:48:05

Helane, it's Ben. Yeah it was we were expecting extremely high winds and rain. What I will tell you is that we got some of it but it wasn't to the extent that we expect it. We did cancel just a handful of flights maybe about 30 flights we accommodated most of customers we did that alone then. So, I can't tell you dollar amounts maybe I'll ask Brandon.

From Allegion Plc (ALLE) Dave Petratis on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-30 at 00:10:05

Foreign currency was a slight headwind in the quarter, while acquisitions contributed approximately \$26 million of incremental revenue, or 4.9% growth, which more than offset the impact of divestitures.

From American Airlines' (AAL) CEO Doug Parker on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-20 at 22:24:02

Internationally, we have lapped the dollar strengthening last year as well as declining international surcharges. Latin was our first entity to turn positive with PRASM up 1.8% for the quarter, driven by 25% year-over-year improvement in Brazil PRASM as capacity rationalized and the Real strengthened.

From AMETEK (AME) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 18:27:32

Now let me provide the financial highlights for the quarter. Sales were in line with our expectations in the third quarter, at \$945 million, down 5% versus the third quarter of 2015. Organic sales were down 8% while acquisitions added 3%. The impact from foreign currency in the quarter was negligible. Operating income in the quarter was \$201.1 million and operating income margin was 21.3%. Diluted earnings per share were \$0.56, down 14% over last year's third quarter.

From AMETEK (AME) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 18:27:32

Now turning to the individual operating groups; first Electronic Instruments Group. Sales of \$579.3 million were down 3% versus last year's third quarter. Organic sales were down 8%, acquisitions contributed 5%, and foreign currency was flat. The strong acquisition growth was driven by the contributions from the recent acquisitions of Brookfield, ESP/SurgeX, Nu Instruments and HS Foils. The organic sales decline was driven in part by weakness across our oil and gas markets. Results for our oil and gas businesses were as expected, with conditions beginning to stabilize across each of our upstream, midstream and downstream businesses. EIG's operating income in the third quarter was \$142.7 million and operating income margins were 24.6%.

From AMETEK (AME) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 18:27:32

The Electromechanical Group reported overall sales of \$365.7 million, down 9% versus the third quarter of last year with organic sales down 7% and foreign currency a 1% headwind. The largest driver of the sales weakness was our Engineered Materials, Interconnects and Packaging business. This business has also begun to stabilize and we expect to see similar conditions in the fourth quarter as we saw in the third quarter. EMG's operating income was \$71.4 million in the quarter and operating margins were 19.5%.

From Amphenol's (APH) CEO Adam Norwitt on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-20 at 00:11:06

The company closed the third quarter with record sales of \$1.636 billion, GAAP diluted EPS of \$0.71, and adjusted diluted EPS of \$0.73. Sales were up 12% in U.S. dollars and 13% in local currencies compared to the third quarter of '15. From an organic standpoint, excluding both acquisitions and currency sales in the third quarter increased 2%. Sequentially, sales were up 6% in U.S. dollars and up 5% organically.

From The Boeing (BA) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-26 at 19:34:23

As we have noted on a number of occasions, the timing and outcome of several ongoing wide body sales campaigns will be the determining factors in final decisions on the 777 bridge production rate. We expect to have additional clarity on 777 production decisions in the next couple of months.

On the 787 program, we have more time to further assess the implementation of the next production rate increase that is currency scheduled to ramp up to 14 per month at the end of the decade.

From Cintas (CTAS) Q1 2017 Results - Earnings Call Transcript
Published on 2016-09-28 at 03:04:04

We are pleased to report first quarter revenue of \$1.294 billion, an increase of 7.9% from the prior year first quarter. Organic revenue growth, which adjusts for the impact of acquisitions and foreign currency exchange rate fluctuations was 5.7%.

From Cintas (CTAS) Q1 2017 Results - Earnings Call Transcript
Published on 2016-09-28 at 03:04:04

Uniform Rental and Facility Services revenue was \$1 billion, an increase of 6.5% compared to last year's first quarter. Excluding the impact of foreign currency exchange rate changes and acquisitions, organic growth was 5.9%.

From Corning (GLW) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 17:31:12

We remain very pleased with the results of our hedging program and the economic certainty it delivers. Since the inception of this strategy, we have received cash totaling \$1.2 billion under hedge contracts. These proceeds offset much of the currency related decline in Display's earnings due specifically to the weaker yen.

From CSX's (CSX) CEO Michael Ward on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-13 at 17:40:18

Overall on a comparable 13 week basis, we expect volume to be down mid-single digits. Low crude oil, natural gas and other commodity prices, as well as strength in the U.S. dollar continue to challenge the rail marketplace. Although the impact of these factors is beginning to moderate as we move through a full year of this external climate. When we report earnings in the fourth quarter our GAAP numbers will include the full 14 weeks of volume in revenue. Again a preview of 14 week volume expectations has reflected to the far right of the slide, which in total represents about flat volume year-over-year.

From CSX's (CSX) CEO Michael Ward on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-13 at 17:40:18

Labor inflation is expected to be around \$30 million in the fourth quarter, which we expect to be more than offset by continued efficiency and volume related cost savings. Similar to this quarter, we expect a headwind in the fourth quarter of about \$40 million versus the prior year, driven by higher incentive compensation. As a reminder, in 2015 we saw incentive compensation decrease in the second half of the year. As sharp declines in the energy markets coupled with broad based commodity and dollar impact drove CSX's financial results will below our initial expectations.

From CSX's (CSX) CEO Michael Ward on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-13 at 17:40:18

Hey it's Frank. What we did was we guided to down slightly sequentially, but also put a bit of a qualifier on that one given the fact that we were probably down more than slightly sequentially from Q2 to Q3. So we're continuing to look across the board at all areas of resources whether it's train and engine crews or folks in the rest of the operating department and folks on the G&A side,

I mean which you've seen is and across the board approach in terms of overall productivity as well as on the resource side and challenging the need for every dollar and every vacancy when it comes up we're taking a look at it and making sure whether or not we need to fill that.

From Cummins' (CMI) CEO Tom Linebarger on Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 18:26:06

Distribution revenues decreased 3% compared to the third quarter of 2015. The positive impact of acquisitions made in the second half of 2015 were more than offset by the negative impact of currency and weaker sales to off-highway markets. The distribution business' EBIT for the quarter was 6.4%, down from 7.9% a year ago, with results last year benefiting from gains on the acquisition of three distributed joint ventures. The positive impact of operational improvement and increased pricing were offset by the negative impact of currency. Revenues for the power systems business declined by 13% year over year with lower sales in most regions due to weaker demand in power generation, commercial marine, and oil and gas markets. EBIT decreased from 7.5% to 6.9% with decremental EBIT margin just 12% due in part to 15% reduction in operating expenses in the business.

From Cummins' (CMI) CEO Tom Linebarger on Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 18:26:06

Material cost savings, lower warranty expense and benefits from previous restructuring actions partially offset the negative impact of lower volumes and an unfavorable product mix. For full-year 2016 we now expect engine segment revenues to be down 11% from 2015 levels, primarily due to weaker truck production in North America compared to our guidance three months ago for sales will decline between 9% and 12%. EBIT margins for 2016 are now expected to be 8.75% when taken into account the \$99 million loss contingency charge, down from our prior guidance of 10% to 11%. For distribution segment, third-quarter revenues were \$1.5 billion, down 3% compared to last year. The decrease was driven by a 5% decline in organic sales and a 1% unfavorable impact from stronger US dollar, which were partially offset by 3% increase in revenue from acquisitions made a year ago. The EBIT margin for the quarter was \$96 million or 6.4% of sales, a decreased from 7.9% a year ago, mainly due to the fair market value gains reported on distributed acquisition in the third quarter of 2015 and from the impact of negative foreign currency movements.

From Cummins' (CMI) CEO Tom Linebarger on Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 18:26:06

At the beginning of October, we completed the acquisition of the last remaining unconsolidated North American distributor bringing the total acquisitions to 13 since we announced the plan in September of 2013. We now expect full-year revenue to decline 1% compared to last year as additional revenue from acquisitions will help to offset weak demand for industrial engines and power generation equipment as well as headwinds from foreign currency movements. We expect full-year EBIT margins to be 6% at the midpoint of our previous guidance range. For the component segment, revenues were \$1.1 billion, a decline of 8% from a year ago. Sales in North America declined 16% as industrial production in on-highway markets declined. International sales increased 7% with a 37% increase in sales from China more than offsetting weaker revenues in Europe. Despite the lower sales, gross margins improved by 18 basis points as material cost reductions and benefits from restructuring more than offset the negative impact of retail volumes.

From Cummins' (CMI) CEO Tom Linebarger on Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 18:26:06

Good morning. I had a couple of product questions if I may. Your class 8 aftertreatment system, I

think you went to a single cylinder for your own engines and for an OEM customer, it seems like it gives a lot of weight savings, and it seems beneficial in that way, is there any headwind to revenue or dollar margin of the components, because you're becoming more efficient in how you provide aftertreatment solutions to customers?

From Cummins' (CMI) CEO Tom Linebarger on Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 18:26:06

And we've been able to do that for the last 15 years in the components business by finding new markets to go to and new products to add, new systems to go. So if everything was status quo, it would have an impact on our revenues. Of course, everything is in status quo. For example, we just grew our business in China about 37%. So this is the kind of thing we're trying to do is to offset sales, revenue declines, driven by cost savings, which don't necessarily translate into margin dollar decline, but they do mean sales go down into other things that we can do for those customers to drive sales up.

From Deere & Company's (DE) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-23 at 19:25:08

Shifting to Brazil, Slide 11 illustrates the crop value of agricultural production, a good proxy for the health of agri business. Ag production is expected to increase about 7% in 2017 in U.S. dollar terms due to recovering corn and the continued increase in ethanol demand. From a local currency perspective, the change is about 6%. Ag fundamentals remain positive and farmer confidence is at its highest level since 2013 due to improved political stability and signs of economic progress. We expect these factors to lead to higher industry equipment sales.

From Deere & Company's (DE) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-23 at 19:25:08

Turning to another product category, industry retail sales of turf and utility equipment in the U.S. and Canada are projected to be roughly flat in 2017 with Deere sales outpacing the industry. Putting this altogether, on Slide 14, fiscal year 2017 Deere sales of worldwide ag and turf equipment are forecast to be down about 1%, including about 1 point of positive currency translation. The ag and turf division operating margin is forecast to be about 8.5% in 2017.

From Deere & Company's (DE) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-23 at 19:25:08

Moving to Slide 16 and looking at the economic indicators on the bottom part of the slide. GDP growth is positive. Construction spending is increasing and housing starts are expected to exceed 1 million units again this year. In spite of these positive signals, the market demand for construction equipment continues to be weak. Factors contributing to the weakness have not changed dramatically over the past quarter. Conditions in the oil and gas sector, for example, continued to be slow. Also, construction contractors are delaying fleet replenishment because of the uncertain markets. Rental utilization rate declines persist, leading to a reduction in fleets and elevated levels of used inventory. Housing starts in the U.S. for single-family homes remain below the long-term average and multifamily home construction is slowing due to overbuilding in some parts of the country. On balance, Deere's construction and forestry sales are forecast to be up about 1% in 2017 with positive currency translation of about 1 point. Global forestry markets are expected to be roughly flat in 2017. C&F's full year operating margin is projected to be about 3.5%.

From Deere & Company's (DE) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-23 at 19:25:08

Moving now to Slide 22, SA&G expense for the equipment operations was up 3% in the fourth quarter

with commissions paid to dealers, incentive compensation, the voluntary separation programs and pension and OPEB expense accounting for 2 points of the change on a net basis. SA&G expense for the full year was down 5% with currency translation, pension and OPEB expense and incentive compensation accounting for most of the change. Our 2017 forecast on Slide 23 shows SA&G expense being up about 1% with a net impact of about 2 points from the voluntary separation program, currency translation and incentive compensation.

From Deere & Company's (DE) Q4 2016 Results - Earnings Call Transcript Published on 2016-11-23 at 19:25:08

The 2017 outlook for the first quarter and full year is on Slide 27. Net sales for the quarter are forecast to be down about 4% compared with 2016. This includes about 1 point of price realization and about 2 points of favorable currency translation. The full year forecast calls for net sales to be down about 1%. Price realization and favorable currency translation are each expected to be about 1 point. Finally, our full year 2017 net income forecast is about \$1.4 billion.

From Delta Air Lines' (DAL) CEO Ed Bastian on Q3 2016 Results - Earnings Call Transcript Published on 2016-10-13 at 20:26:04

Well I'll let Paul highlight the numbers, but clearly the hit to revenue was primarily based and almost solely based on the depreciation of the currency. And so you know that's a pretty dramatic, more than 50% of the revenues in the joint venture we have with Virgin come as point of origin UK and are denominated in pounds, so when you have a big currency moves like that there's a dramatic change in the revenue profile.

From Dun & Bradstreet (DNB) Q3 2016 Results - Earnings Call Transcript Published on 2016-11-02 at 17:39:16

Deferred revenue was up about 3.5% for the company before the effect of foreign exchange and M&A. In the Americas, deferred revenue increased about 4.5%. On a dollar basis, this represents the biggest growth in the deferred balance in the Americas in the last five years. The growth in deferred revenue in the Americas is largely due to sales of our newer products, including D&B Direct, D&B Credit, and Compliance.

From Eaton Plc (ETN) Q3 2016 Results - Earnings Call Transcript Published on 2016-11-01 at 19:43:19

And as a result, we were able to deliver a small improvement in segment margins despite the decline in revenues. In turning our attention to the segments, we'll begin with Electrical Products. Here our revenues were flat year-on-year but down 1% versus Q2, largely on currency and continued weakness in our industrial markets.

From Fastenal's (FAST) CEO Dan Florness on Q3 2016 Results - Earnings Call Transcript Published on 2016-10-11 at 19:24:03

In terms of working capital, this will be my last comment. We were comfortable with how the numbers shook out. The receivables came in at about 49.7 days. That is comparable to where it was a year ago. Inventories came in at 159.6, that's well ahead of where we were a year ago, but that was expected. It does reflect our infusing the CSP 16 products into the field, the acquisition of Fasteners, Inc., which will anniversary in November and the increase in onsite locations. But the annual increase in dollar inventories was 9.5%. That was – that did achieve our goal of keeping growth below 10%. So overall, we are comfortable with where the condition of our balance sheet is, given the effect of the significant growth investments that have impacted it. That's all I have and with that I will – we will turn over to questions.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results -
Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

We are particularly pleased with the bookings' resiliency and performance of our aftermarket franchise throughout 2016, producing modest constant currency bookings growth for the year. We continue to make significant progress on our ongoing realignment program, which will drive cost out of our platform and position Flowserve to enhance profitability as a leaner and more efficient Company. Finally, while our third-quarter earnings were lower than expected, the Company continues to be well-positioned and we are actively pursuing opportunities for further improvement as we execute on our cost reduction initiatives and long-term strategic growth opportunities.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results -
Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

Overall for the quarter, constant currency bookings declined approximately 7%, primarily due to an OE bookings decline of approximately 11%. As expected, aftermarket bookings continue to demonstrate resiliency, but did decline approximately 2% this quarter. While aftermarket bookings have increased constant currency year to date, third-quarter aftermarket sales saw a sharp drop-off sequentially during the quarter. We believe this is just a timing issue, as it is rare for aftermarket orders to cancel and was mainly because our first-half 2016 bookings included a few upgrade projects that will not ship until 2017. Additionally, some customers have been slow to accept shipments, but we do continue to see elevated levels of emergency response aftermarket opportunities. While pricing pressure has been a significant issue on larger CapEx driven greenfield and brownfield projects, we are pleased that we've maintained fairly consistent pricing levels in our aftermarket bookings.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results -
Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

Turning now to specific end markets and looking at bookings on a constant currency basis coming off a low base. Bookings in our largest served market, oil and gas, increased 10% in the quarter. European orders and an ebullient job for Asia were key drivers of this growth. While we are pleased with this improved level of bookings, we are certainly not calling a bottom yet. However, we do view our downstream and midstream focus as a long-term asset for the Company. Power bookings decreased approximately 21% on a tough prior-year compare. Going forward, we expect steady combined cycle investment in North America and fossil projects in Asia, which tend to be very competitive.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results -
Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

China continues to invest in nuclear, where we participate in both the Western and Chinese designs. In our general industries, constant currency bookings decreased approximately 4%. The distribution channel remained depressed in the quarter. While we continue to believe destocking across many of our distributors is largely complete, distributors overall are maintaining lower inventory levels, placing smaller orders, often only when they have a customer order in hand, so a quick response time will be a priority for us.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results -
Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

Reported loss per share for the quarter was \$0.16, which included an above-the-line negative currency translation headwind of approximately \$0.02 in both reported and adjusted EPS.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

Q3 revenues of \$943 million decreased 14%, or 12.1% constant currency. Year to date, Flowserve's constant currency revenues decreased 8.2% compared to 2015 levels. Regionally and a constant currency basis, North America was roughly flat, while the Middle East and Africa, Europe and Asia PAC were down low- to mid-teens. Latin America remains our most challenging region, with a decline of nearly 39%.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

Turning to our bookings, constant currency original equipment bookings declined 11.4%, while our aftermarket franchise remained relatively stable, down 2.1% over the prior year, but still showed modest growth year to date. From a regional perspective, Europe and Latin America constant currency bookings increased 7.9% and 7%, respectively. North America was down 6.4% while Asia-Pacific and the Middle East and Africa were down in the mid-teens.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

Turning now to our outlook for the remainder of the year, based on our first nine months 2016 results and our expectations for the fourth quarter, we have updated our 2016 adjusted EPS guidance to \$2.05 per share to \$2.25 per share. Unexpected revenue declines of 11% to 14%, including a 2% currency headwind, or roughly \$0.10 per share, of above-the-line impact. Guidance further assumes net interest expense in the low to mid \$16 million, a tax rate of 30% to 31% and reduced variable compensation expense.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

As a reminder, our 2016 adjusted EPS guidance includes the operational performance of our 2015 SIHI acquisition and excludes realignment expenses. In addition, the Latin American non-cash charges recorded in the third quarter, SIHI purchase price accounting and integration costs, below-the-line foreign currency effects and the impact of other potential discrete items, are also excluded.

From Flowserve Corporation's (FLS) CEO Mark Blinn on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-30 at 03:27:16

So on a disciplined approach, you look at everything on a risk-adjusted basis. But my point earlier is the highest return on every dollar we have is really in our realignment area right now. Hopefully that answers it because I don't know. It's a case study on the opportunity that comes up. If something came up that was very compelling, you have to evaluate that, but that's the way we think about it.

From Fortune Brands Home & Security (FBHS) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-27 at 03:23:19

Yeah. It's – thank you for that. And the credit goes to our team. We've got an outstanding operational team in our Cabinets business. It's an incredibly complicated business, you think about our spectrum of products that we're making from in-stock vanities through semi-custom, up to our more custom business. And these guys are really on the ball. So, if I break it down, we've got better operating efficiency going through the plants. We still have capacity, we made our big capacity investments a couple of years ago, they're just getting better at running it and we've frankly got more volume coming through, so that's part of it. Part of it is, we are getting some synergy benefit from Norcraft, you're seeing that come through, they've been aggressive in driving that and improving the operations of the acquired Norcraft businesses. And then some of it is just mix. As we've said, we target profitable growth in the market. We're not chasing every dollar of sales out there and within the relationships that we've got, we're driving a stronger mix. And that's coming through finishes, that's coming through more complicated projects and we spend a lot of time out in the field with the designers helping them really design the product into the – what the consumer is looking for and that yields a higher mix for us. So you take all those three things together and that team has really have been driving things together to improve that margin. We're headed toward mid-teens, that's what we've said, that business is capable of doing and we're well on track with that and team is focused on it and you'll continue to see improvement in 2017 and 2018 as we're moving up to that.

From General Dynamics (GD) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-26 at 19:51:26

On the call last quarter, we advised that we were quite optimistic regarding order activity in the third quarter. Our optimism was well founded. We had strong order intake in the quarter for the group, a 0.9:1 book-to-bill measure in dollar value of orders. Gulfstream alone was about 1:1 on a dollar value basis and 1.2:1 on a number of units basis.

From General Dynamics (GD) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-26 at 19:51:26

As we've discussed throughout this year, we're seeing an impact on our financial results from foreign exchange rate volatility. It's still not material in the aggregate, but it continues to be a slight top line drag on some of our segments, particularly Combat Systems. As Phebe pointed out, the group's revenue declined by 1.1% when compared to the third quarter of 2015 but had foreign exchange rates, particularly the U.S. dollar to the euro and the Canadian dollar held constant from 2015, the group's sales would have remained steady quarter-over-quarter.

From General Electric's (GE) CEO Jeffrey Immelt on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-21 at 17:05:08

We booked 36 aeroderivative units in the quarter versus 26 last year but strong demand in sub-Saharan Africa and Argentina. Gas turbine units were 11 versus 22 a year ago. Although the number of units were lower, the dollar value of the orders were up 10% on much larger units, principally the H with six units ordered versus four last year.

From Honeywell International's (HON) CEO Dave Cote on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-21 at 19:04:03

Finally, the foreign currency movement from 2015, principally the strengthening of the U.S. dollar, has driven approximately 40 basis points of margin rate headwind. Based on our hedging positions, we expect this to turn to a similar size benefit in 2017. So as you can see, we expect to end the year with segment margin at 18.1%, but are well positioned for 2017, as the favorable operational impacts from the Honeywell operating system continue and the impact from the other factors recedes

or flips around.

From Illinois Tool Works' (ITW) CEO Scott Santi on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-20 at 20:20:11

As usual, we're assuming current foreign exchange rates which given the recent strengthening of the dollar against the pound and the Euro creates a few pennies of currency translation headwind in the fourth quarter. As a result, this full-year guidance increased of the penny is essentially the \$0.03 beep from the third quarter partially offset by \$0.02 of additional currency translation headwind in the fourth quarter at today's foreign exchange rates.

From Illinois Tool Works' (ITW) CEO Scott Santi on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-20 at 20:20:11

No, I mean, overall U.K. as you know, our U.K. business overall, I'm not talking construction, it's about 4% of sales and was actually positive in the quarter, like we talked about before the impact right now what we're seeing is on the currency side moving on to translation side of things. But we haven't seen anything other than that that's worth mentioning.

From Ingersoll-Rand Plc (IR) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-26 at 20:35:28

Well, mix matters, Josh. I mean, definitely, if you look at the high margin material handling and tools businesses, they matter a lot. But if you look at a normal mix that we would've seen sort of pre-downturn, about 70% of the downturn that we've seen has been volume related, the balance being some currency and then some mix. So fundamentally, we do need volume to return, but with that being said, if volume doesn't return next year, and we have the same mix of business that we have today. We have a healthy expectation to expand margins in 2017 in the Industrial business based on the actions we know we can take at these low levels of volumes. And we'll be bold about that and you'll see us commit to that probably in February.

From Kansas City Southern's (KSU) CEO Patrick Ottensmeyer on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-18 at 17:49:13

Thanks, Jeff, and good morning, everyone. I'll start on page 11, where you can see, our year-over-year revenue was down 4% and up 1% excluding currency and the fuel. Our carloads were also down 4% for the quarter versus last year.

From Kansas City Southern's (KSU) CEO Patrick Ottensmeyer on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-18 at 17:49:13

Our Industrial & Consumer business remain slow with year-over-year decreases of 6% volume and 6% revenue, with half of the revenue decline driven by fuel and the foreign exchange. This business segment continues to be negatively impacted by softness in our metals and paper segments. These businesses are experiencing stiff global competition impacted by currency fluctuations and low truck pricing, which we believe to be unsustainable in the long-term. This weakness was somewhat offset by strength in our other carload segment.

From Kansas City Southern's (KSU) CEO Patrick Ottensmeyer on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-18 at 17:49:13

Yes, I think that's a fair assessment there are on a flattish and a dollar perspective. We've got Sasol continuing. We've got PTC, as I mentioned there, one more heavy. And then it will start winding down a bit after that. So, I think the flattish is a good expectation.

From Kansas City Southern's (KSU) CEO Patrick Ottensmeyer on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-18 at 17:49:13

Just to follow up to try to put a closer number to some of the incentive comp expectations as we go into next year. I mean, can you tell us in dollar terms, what a 100% target payout for cash you would look like on incentive comp? And maybe percentage terms, how far you are tracking above normal for the payout this year, now as you true things up?

From L-3 Communications Holdings (LLL) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-28 at 00:57:23

Thank you very much. So you've gone through a number of the business units, Chris, and you've kind of come to some conclusions about how some things fit together. If you were to aggregate the amount of, I'll call it, either overhead savings or operational efficiency that you've been able to identify or capture, how much do you think that is, either as a percentage of revenues or in dollar amount?

From Leggett & Platt's (LEG) CEO Karl Glassman on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-28 at 17:33:10

Yesterday, we reported another quarter of strong earnings despite lower than anticipated sales. For the full year, we continue to expect record earnings per share from continuing operations, strong EBIT margins and a significant improvement in operating cash flow. Third quarter sales decreased 6% to \$949 million, with 4% of the reduction due to four small divestitures completed in the past 12 months, same location sales were down 2% from slightly lower unit volume, raw material related price decreases and currency impact.

From Leggett & Platt's (LEG) CEO Karl Glassman on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-28 at 17:33:10

Now to the segments. In residential furnishings, third quarter same location sales were down 8%, unit volume decreased 6% and raw material related price deflation and currency reduced sales by 2%. Lower pass-through sales of adjustable beds represented 3% of the unit volume decrease. Sales trends for the major businesses and product categories excluding deflation and currency were as follows; U.S. Spring component dollar sales decreased 6%. Innerspring units decreased 7% and boxspring unit volume was down 9%. Comfort core units decreased 2% during the quarter.

From Leggett & Platt's (LEG) CEO Karl Glassman on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-28 at 17:33:10

And the specialized product segment, third quarter same location sales increased 6% from continued strength in automotive, excluding minor currency changes automotive sales grew 14%, machinery sales decreased 5% and aerospace same location sales were down 9% in the quarter. The segments EBIT grew and EBIT margin improved a 150 basis points primarily from higher volume and currency benefits.

From Masco (MAS) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 15:51:24

Our focused execution continued as we delivered top and bottom line growth in North America and internationally. As Keith mentioned, the third quarter of 2016 was our 20th consecutive quarter of year-over-year sales and operating profit growth. Sales increased 2% for the quarter and 3% in local currencies. Foreign currency translation negatively impacted our sales in the quarter by approximately \$17 million, principally due to a weaker pound compared to the U.S. dollar. North American sales were up 2% in the quarter.

From Masco (MAS) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 15:51:24

International sales increased 6% in local currency in the quarter, driven by the continued strength in our international plumbing and window businesses. Gross margins expanded approximately 100 basis points compared to the third quarter of last year to 32.9%. This includes the negative effect of Milgard's warranty adjustment.

From Masco (MAS) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 15:51:24

Turning to slide seven, our Plumbing segment delivered another strong quarter of growth, driven by terrific performance at Delta, Hansgrohe and Watkins. Segment sales increased 6%, excluding the impact of currency, driven by growth in our faucets, showers and spas. Foreign currency translation negatively impacted this segment's sales by approximately \$9 million in the quarter.

From Masco (MAS) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 15:51:24

Turning to slide 10, our Windows segment sales increased 2% in local currency, driven by growth in Milgard, our leading Western U.S. window business. Milgard's continued growth was driven by a positive mix shift toward our premium window and door product lines and favorable pricing. Excluding the negative impact of a stronger U.S. dollar, our European Windows sales increased 2%, driven by volume and share gains. Foreign currency translation negatively impacted this segment's sales by approximately \$8 million in the quarter. The segment's operating profit decline was primarily due to the additional warranty reserve of approximately \$21 million at our Milgard business, \$6 million of incremental labor costs and inefficiencies and ERP expenses of approximately \$3 million.

From Masco (MAS) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 15:51:24

So, Stephen, if I understand your question right, the full year-over-year impact of sales loss in a dollar perspective is, I think, roughly \$60 million here in 2016 all in between all four quarters, with the roughly \$15 million to \$20 million coming in the fourth quarter, and then another \$10 million to \$15 million in the first quarter of 2017. Then after that, it should really tail off pretty significantly because we made the decision to start exiting the last portion of business in the first quarter of 2016. So really, we should anniversary that effect in the first quarter. So we feel pretty good about that.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

In our Watch business, our momentum continued with our Total Audience Measurement System. Client adoption continued to grow as Digital Content Ratings moved to syndicated reporting, Digital Ad Ratings expanded to new markets and the industry further narrowed in on a new currency definition. We also announced upgrades to our local TV measurement. So we feel great about our progress here.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Let's look at the financials for the third quarter. At a total company level, revenue grew 3.6% on a constant currency basis. Revenues in our Watch segment increased 6.7% on a constant currency basis including an 8.5% increase in Audience Measurement of Video and Text. Buy segment revenues grew just under 1% on a constant currency basis, as emerging markets growth of nearly 9% was offset by a decline in developed markets driven by the U.S.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Adjusted EBITDA grew 4% constant currency, supported by ongoing productivity and operating leverage, offset in part by our accelerated investments in key initiatives. Adjusted net income per share grew almost 6% constant currency to \$0.74. Free cash flow was a record \$353 million in the quarter, up slightly compared to a year ago.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Overall, client adoption and support of our Total Audience Measurement system is steadily growing. As we look out to 2017, our clients remain highly engaged in the effort to move the industry toward a new ratings standard. While the definition of a new currency is not up for Nielsen alone to decide, we're confident that with the clarity and momentum we built with Total Audience Measurement, it will play an important role in the 2017 upfronts.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

In local TV, we recently announced some important new initiatives that will substantially enhance our offerings in the U.S. by leveraging our investments in return path data from DISH and Charter, as well as our currency grade panel data. We'll introduce full electronic measurement across all 210 designated market areas by mid-2017, paving the way for the retirement of paper diaries in early 2018.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Turning to Marketing Effectiveness, we had another strong quarter with constant currency revenues up over 30%. As a reminder, this is the part of our business where we bring together our Watch and Buy assets, to help marketers improve their return on investment in advertising. A large part of this is enabled by the Nielsen Marketing Cloud, which provides our clients with faster access to data and analytics, helping them make more informed marketing and media decisions.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Moving to the right side of the page on a non-GAAP basis, revenue was up 3.6% constant currency. Despite a more challenging environment, we still delivered revenue growth driven by strength in our subscription base recurring revenue and solid execution on our growth initiatives. Our Watch business grew 6.7% on a constant currency basis driven by our investments, continued momentum in Audience Measurement of Video and Text and impressive growth in Marketing Effectiveness.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Our Buy business grew just under 1% constant currency led by continued strength in the emerging

markets which was partially offset by a decline in the developed markets. Adjusted EBITDA was \$498 million, up 4% constant currency and adjusted EBITDA margins were 31.7%, up 10 basis points on a constant currency basis. In the quarter, we continued disciplined investments in growth and productivity initiatives that will generate top line growth and margin expansion in 2017 and beyond.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 18:33:28

Adjusted net income was \$266 million, up 3.1% constant currency and diluted adjusted net income per share was \$0.74, up 5.7% versus prior year on a constant currency basis. Our adjusted net income per share growth was driven by solid operating earnings and execution of our stock share buyback program. Finally, we generated record free cash flow of \$353 million which was up 2% versus a strong third quarter in 2015.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 18:33:28

Next I'll move to the segments and provide a little more color. First is our Watch segment. Our Watch segment had another great quarter. Revenue was \$761 million, up 6.7% constant currency. Our growth initiatives performed well, as Audience Measurement of Video and Text was up 8.5% on a constant currency basis. As expected, Audio was down 2.8% on a constant currency basis against a tough comp in 3Q 2015 that grew 11% driven by timing of deliveries. The business is performing in line with our expectations and generating strong earnings and cash flow.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 18:33:28

Marketing Effectiveness was up 31.8% constant currency behind strong results from the Nielsen Marketing Cloud, Nielsen Catalina Solutions and Repucom, which is now branded as Nielson Sports. The investments we have made in Marketing Effectiveness continue to drive Watch segment growth and we continue to see strong demand from a broad array of clients.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 18:33:28

As expected, Other Watch was about a 2 points drag on Watch revenue on a constant currency basis, reflecting the impact of our divestiture of the NRG business late in the fourth quarter of 2015. Watch adjusted EBITDA was \$360 million, up 7.5% constant currency. Watch margins expanded 33 basis points on a constant currency basis as we continue to drive operating leverage while investing in the business.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 18:33:28

Our Watch segment remains strong. We are executing on our Total Audience Measurement growth strategy and Marketing Effectiveness continues to deliver impressive growth. We remain confident in our 2016 Watch guidance of 4.5% to 6.5% revenue growth on a constant currency basis.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-25 at 18:33:28

Turning to Buy, Third quarter total Buy revenue was \$809 million, up just under 1% on a constant currency basis. On a total segment basis, our syndicated recurring revenue business remains solid. However, our ad hoc discretionary revenue declined. Our business in the developed markets was \$542 million, down 2.5% on a constant currency basis as we continue to see softness in discretionary spend, especially in the U.S. Additionally, we are taking steps to future proof our business by

pruning and sun setting slow growth non-core services in developed markets. These actions along with further restructuring in our Buy segment and accelerating the development of our Connected System will strengthen our business.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

As you've often heard me say, we are clearly operating in a two speed world with significantly higher growth rates in the emerging markets versus developed markets. In the third quarter, our business in the emerging markets was \$267 million up 8.5% on a constant currency basis. As Mitch mentioned, growth was broad based across a number of markets. In addition, we saw double-digit growth from multinationals that gives us more confidence that emerging markets will continue to be a tailwind for our Buy segment revenue into 2017.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Moving to foreign currency impact, I want to remind you that we report revenue and EBITDA on a constant currency basis to reflect our operating performance. We generally don't take on transactional risk, so this slide focuses strictly on the translation impact for reporting purposes.

In the quarter, foreign currency resulted in 110 basis points drag on revenue, if current spot rates held constant through 2016, then we expect 170 basis points drag on revenue and a 70 basis points drag on EBITDA for the full year in 2016, which is in line with the forecast we gave last quarter.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Moving to 2016 guidance, in light of our third quarter results and fourth quarter outlook in developed Buy, we are updating our full year guidance highlighted by revenue growth of approximately 3.5% to 4% on a constant currency basis, adjusted EBITDA margin growth of 30 basis points, adjusted net income per share of \$2.73 to \$2.79 and free cash flow of approximately \$850 million.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Yeah. So, a couple things. First of all, if you're looking back to the third quarter of last year, you saw our developed markets business grow 4.8% constant currency and as part of that discussion we've said that we saw a pretty strong discretionary environment. We have not seen that since then and if you look at our results in our developed Buy business they've sequentially been going in the other direction and part of that is because that stable or I would say the environment in the third quarter last year actually ran a little hot. I would say that environment has slowly started to erode and we're starting to see the dynamics that Mitch and I have discussed in the call today.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

I'll take the first one. Jamere will cover the second one for you, Bill. Thanks for the question. On the currency definition, I commented on that earlier, maybe just a thing to add. We've had this series of meetings with the industry, the most recent one was last week. We continue to narrow in on the definition and there are a lot of reasons for us to be confident that our Total Audience Measurement system's going to play a big role in the 2017 upfronts.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 18:33:28

Let me tell you what we're hearing though also, not just what Nielsen thinks, but what some of the key industry players think. One example is Rino Scanzoni. He is the Chief Investment Officer at GroupM. He was quoted a few weeks ago saying something like, we're looking probably to making the Total Audience the currency in the next upfront, then what he said was, "We have to go there." There is 10% to 12% more audience if you're factoring the viewing on these other devices. His voice is really important because well, he was central to the C3 metric 10 years ago when that was converged on by the industry and has since served as the definition of the currency. So, that's how Rino is thinking about the Total Audience and the new definition of the currency for the 2017 upfront.

From Nielsen Holdings Plc (NLSN) Q3 2016 Results - Earnings Call Transcript Published on 2016-10-25 at 18:33:28

David Poltrack, Chief Research Officer at CBS, he was just more direct, he just said, "We're definitely moving forward." That was his attitude toward it. And so, I think the key to this way of thinking for these key industry influencers are the fact that we've passed the syndication point for Digital Content Ratings, at the end of September. We are on the path to fully syndicate Total Content Ratings by the early part of 2017. Already in full syndication for the participating publishers, we're just going to add agencies and other members of the of ecosystem in the early part of the year. Those are the last few pieces in the puzzle. And so, we've delivered on those and that's why I think everybody is pretty confident in terms of this measurement system. And some sense of what that new currency definition is going to be playing an important role in the 2017 upfronts.

From Parker-Hannifin's (PH) CEO Tom Williams on Q1 2017 Results - Earnings Call Transcript Published on 2016-10-21 at 21:21:07

Moving to Slide 7, with the review of the total company sales and segment operating margin for the first quarter. Total company organic sales in the first quarter decreased by 4.6% over the same quarter last year. There was nominal contribution to sales in the quarter from acquisitions and minimal currency impact. Total company segment operating margins for the first quarter adjusted for realignment cost incurred in the quarter was 15.4% versus 15.3% for the same quarter last year.

From Parker-Hannifin's (PH) CEO Tom Williams on Q1 2017 Results - Earnings Call Transcript Published on 2016-10-21 at 21:21:07

Moving to Slide 8, I'll discuss the business segments, starting with Diversified Industrial North America. For the first quarter, North American organic sales decreased by 9% as compared to the same quarter last year. There was no impact from acquisitions and nominal impact from currency in the quarter.

From Parker-Hannifin's (PH) CEO Tom Williams on Q1 2017 Results - Earnings Call Transcript Published on 2016-10-21 at 21:21:07

I'll now move to Slide 10 to review the Aerospace System segment. Organic revenues increased 3.1% for the quarter, neither acquisitions nor currency impacted revenues, growth in military OEM, commercial OEM and commercial aftermarket sales were the drivers for the quarterly performance as compared to the prior year.

From Parker-Hannifin's (PH) CEO Tom Williams on Q1 2017 Results - Earnings Call Transcript Published on 2016-10-21 at 21:21:07

Total sales are expected to be in the range of negative 1.5% to 2.1% as compared to the prior year. Organic growth at the midpoint is nearly flat and acquisitions and the guidance are expected to positively impact sales by 8.4% currency and guidance is expected to have a modestly positive 0.3% impact on sales. We have calculated the impact on currency to spot rates as of September 30, 2016, and we have held those rates steady as we estimate the resulting year-over-year impact for the upcoming balance FY17.

From Parker-Hannifin's (PH) CEO Tom Williams on Q1 2017 Results - Earnings Call Transcript
Published on 2016-10-21 at 21:21:07

Okay. Thank you. And then just a follow-up on your guidance. The dollar has strengthened against the euro by 4% since the end of the quarter. And I know you said you expect your outlook based on September 30 exchange rates. If you were to do your exchange rates as of today, would you have changed your revenue guidance?

From Parker-Hannifin's (PH) CEO Tom Williams on Q1 2017 Results - Earnings Call Transcript
Published on 2016-10-21 at 21:21:07

Ann this is Jon. I think yes I mean given that track and we have a pattern of a going through and using September 30. We will see how that kind of plays itself out for the balance of the year, but with the strengthening the dollar today I think that it would have an impact on the guidance very slightly.

From Parker-Hannifin's (PH) CEO Tom Williams on Q1 2017 Results - Earnings Call Transcript
Published on 2016-10-21 at 21:21:07

It's Tom again. So what we project including the 150 bips greater than the market is a 1.5% CAGR. Now remember the CAGR starts in '15, so it went down from '15 to '16 which is why that doesn't sound like a really big number. So we go down because '15 all the natural resource that dollar but then '15 to '16 flattening from '16 to '17 and starting grow by -- this time we get to FY20. Our expectation is to grow 150 basis point faster in the market based on FY20 as an exit rate.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

Let me provide an overview of the quarter and drill down into some of the details. I will then give an update on our expectation for the remainder of the year. For the third quarter, there are some significant highlights worth noting. Ecommerce marketplace and retail grew revenue organically 17%, excluding the impacts of currency this quarter.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

As a reminder, this is the first quarter of reporting Borderfree fully in both periods and now represents a clean comparison. This cross-border revenue growth is particularly encouraging because it reflects both a stronger U.S. dollar versus the prior year, as well as some temporary disruption on demand for parcel shipments from the U.S. to Canada prior to the resolution of a Canada Post labor dispute.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

Additionally, our Global Ecommerce segment had an 11% EBITDA margin this quarter, driven by revenue growth and synergy savings from the Borderfree integration. The Enterprise Business Solutions group in total continues to perform within the long-term market rates for both revenue and EBIT margin. Production Mail grew revenue this quarter by 5%, driven by 27% growth in equipment sales. Excluding the impact of currency and market exits, revenue grew 11% in Production Mail.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

Turning to the results. Revenue for the third quarter totaled \$839 million, which was a decline of 2% on a constant currency basis adjusted for market exits and a decline of 2.5% constant currency and 3.5% on a reported basis.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

Revenue in our SMB segment group declined 6% on a constant currency basis adjusted for market exits and declined 7% on a reported basis. Revenue in our Enterprise Business Solutions group grew 4% on a constant currency basis adjusted for market exits and grew 2% on a constant currency and 1% on a reported basis. Digital Commerce Solutions revenue grew 2% on a constant currency basis and declined 1% on a reported basis.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

Excluding the effects of currency movements and market exits, revenue declined 3.5% compared to prior year and equipment sales were flat. Equipment sales benefited from growth, most notably in France, Italy and Japan, but were mostly offset by a decline in the UK. Recurring revenue streams declined driven by lower supplies and rental revenues. EBIT margin was 10.2%, which was relatively flat to prior year as the decline in high margin recurring revenue streams was offset by lower operating expenses.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

Turning to Enterprise Business Solutions, overall, the segment group's revenue grew 2% on a constant currency basis, which is in line with our long-term expectations. Revenue grew 4% when adjusting for currency and production mail market exits. In Production Mail, revenue was \$106 million and EBIT was \$16 million. Equipment sales grew 27% over prior year due to higher sorter, inserter and print equipment placements as a result of a number of large client installations in the quarter.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

As I mentioned earlier, this quarter included a full quarter of Borderfree results in both periods. Excluding the impacts of currency, our marketplace and retail revenues grew 17% from prior year on strong growth in the UK outbound shipments. U.S. outbound marketplace grew despite a stronger U.S. dollar versus prior year, as well as some temporary disruption on demand for parcel shipments from the U.S. to Canada prior to the resolution of the Canada Post labor dispute.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 17:57:25

For 2016, the company expects to be at the low end of its annual guidance range for revenue and adjusted earnings per share. For the full year 2016, we expect revenue on a constant currency basis

to be in the range of a 1% decline to 3% decline when compared to 2015, adjusted earnings per share of \$1.75 to \$1.82, adjusted earnings per share guidance excludes the year-to-date charges of \$0.22 per share primarily related to restructuring and asset impairments. We expect free cash flow to be in the range of \$400 million to \$450 million.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 17:57:25

Okay. And then, when we think about Ecommerce going into the holiday season, can you talk about currency in terms of some of the moves you've seen? Obviously, the pound has moved significantly. Aussie dollar, I think, has strengthened a little bit, I haven't looked in the last week, things move so quickly. But just as we think about how you should benefit from obviously, the holiday season and selling increase there, but then how do we think about that maybe either dampened or supported, I'm not sure at this point, by currency?

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 17:57:25

I think if we look at the third quarter as a sort of indicator, if I look at the U.S. dollar to pound relationship, we did see growth in our U.S. outbound on a global basis. That was probably muted somewhat by the stronger U.S. dollar. On the flip side, given the weaker pound, the UK outbound has grown very nicely. And I would say the direct relationship between U.S. and UK was kind of a net neutral because the growth in demand from the U.S. for UK products pretty much offset the reverse of that.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 17:57:25

So, as we look forward to the fourth quarter, we still have a U.S. dollar that's a bit stronger than last year. But what we've seen is as the currency sort of normalized year-to-year, we don't see rapid or significant movements during the periods, then we tend to see some of that volume come back. The others, we've expanded the number of markets outbound from the UK by another six. And as you know, we've added Australia, although we're very early innings in Australia, we have about seven storefronts open in Australia at this point.

From Pitney Bowes (PBI) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-01 at 17:57:25

I would say this carefully and stipulate that this business will continue to be susceptible to currency fluctuations. That said, what you're starting to see is the breadth of the business organically has the ability to absorb some nominal amount of currency movements in a way that candidly we just couldn't when it was a smaller scale a year ago.

From Quanta Services' (PWR) CEO Duke Austin on Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-03 at 20:46:16

I wanted to ask on the pipeline segment, and try to get some context around the opportunities that are out there by asking you if you can give us a sense of the dollar amount of projects that you believe you've won but have been unable to announce. These projects that are held up by permitting or other factors, and what the duration of those that you can best estimate the duration of time that's going to take to get those released?

From Raytheon (RTN) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-27 at 17:41:14

I'm pleased with the progress we're making on these multiple franchise pursuits, and with the clear success of our GaN investments, which has positioned us well across both radar and electronic warfare market segments. As we look to potential future bookings, there are a number of large upcoming opportunities for the company, including an early warning radar system for Qatar as well as Patriot, Standard Missile-2 and radar upgrades across Japan and Taiwan, which combined represents a multi-billion dollar opportunity.

From Robert Half International (RHI) CEO Harold Messmer on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-27 at 00:09:16

Thank you, as Max mentioned, global revenues were \$1.339 billion in the third quarter, this is up 2% from the third quarter one year ago on both a reported and a same day constant currency basis.

From Robert Half International (RHI) CEO Harold Messmer on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-27 at 00:09:16

Let's break this out between our staffing business and Protiviti. Global staffing revenues were up 1% in the third quarter on a same day constant currency basis from one year ago. US staffing revenues were \$890 million, roughly flat with last year, and non-US staffing revenues were \$231 million, up 7% when adjusted for billing days and exchange rates.

From Robert Half International (RHI) CEO Harold Messmer on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-27 at 00:09:16

In the third quarter, currency exchange rates had the effect of decreasing reported year-over-year staffing revenues by \$3 million, exchange rates decreased year-over-year reported staffing growth rates by 0.3%.

From Robert Half International (RHI) CEO Harold Messmer on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-27 at 00:09:16

Third quarter global revenues for Protiviti were \$217 million, including \$183 million in the United States and \$34 million outside of the US. Overall revenues for Protiviti were up 8% from one year ago on a same day constant currency basis, US revenues were up 6% and non-US revenues were up 17% from last year's third quarter.

From Robert Half International (RHI) CEO Harold Messmer on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-27 at 00:09:16

Along with our earnings release today, you'll find a supplemental schedule showing year-over-year revenue growth rates on both a reported and same day constant currency basis. This data is further broken out by our US and non-US operations. This is a non-GAAP measure we offer to provide insight into certain revenue trends in our operations.

From Robert Half International (RHI) CEO Harold Messmer on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-27 at 00:09:16

However, there is one fewer day this year than last, there will be a little bit of currency drag. So that on a reported basis your staffing growth rates would be about – would be down about 3%.

And again, the embedded 1% same day constant currency is at above the rate we started the quarter.

From Robert Half International (RHI) CEO Harold Messmer on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-27 at 00:09:16

So, exactly how you put a dollar value on that, I would argue, quite frankly, to remain competitive in the staffing business, you not only have to offer the traditional services you've always offered, you also have to have digital offerings that are complementary to the traditional offerings you've always had.

From Rockwell Automation (ROK) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-07 at 17:03:31

Sales in the quarter were \$1.539 billion, down 4.3% compared to Q4 last year. On an organic basis, sales declined 4%. Currency translation reduced sales in the quarter by 70 basis points, and acquisitions increased sales by 40 basis points. Both the organic result and the currency impact were a little better than we expected.

From Rockwell Automation (ROK) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-07 at 17:03:31

Turning to page 5, this is the full-year version of the key financial information. Sales were \$5.880 billion for the full year, down 6.8%. Organic sales declined 3.9%. Currency translation reduced sales by 3 points. Segment operating margin for the full year was 20.2%, down 1.4 points from last year. The primary factors were lower organic sales and the negative impact from currency effects, partly offset by lower incentive compensation expense.

From Rockwell Automation (ROK) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-07 at 17:03:31

The next two slides present a graphical view of the sales and operating margin performance of each segment. I'll start with the Architecture & Software segment on page 6. I'll start with the quarter performance. On the left side of this chart, you'll see that Architecture & Software segment sales were \$696 million in Q4, up 1.8% from the same quarter last year. Organic sales increased 1.4%. Acquisitions increased sales by 1%, and currency translation reduced sales by 60 basis points. As Blake mentioned, this is the first quarter for year-over-year organic growth in the Architecture & Software segment in over a year.

From Rockwell Automation (ROK) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-07 at 17:03:31

Moving to the right side of the chart, Architecture & Software margins in the quarter were 25.8%, down 1.5 points from Q4 last year, and primarily due to unfavorable mix and higher restructuring charges. For the full year, A&S sales were down 4.2% as reported, with a 1.5% organic sales decline, a 30 basis point contribution from acquisitions, and currency translation reducing sales by 3%. Segment operating margin for the full year was 26.4%, down 3 points compared to prior year, primarily due to lower sales, unfavorable mix, and unfavorable currency effects.

From Rockwell Automation (ROK) Q4 2016 Results - Earnings Call Transcript

Published on 2016-11-07 at 17:03:31

We expect segment operating margin to be about 20%, maybe a little bit lower. That's not our normal conversion, but we know we have margin headwinds to deal with in 2017, namely, the restoration of incentive compensation and increase in operating pension expense and unfavorable currency impact that's catching up to us from the rolling of currency hedges we had in place last year.

From Southwest Airlines (LUV) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-27 at 01:31:26

And just, if you're looking for a dollar figure there, it's going to be, say, under \$10 million.

From Stericycle's (SRCL) CEO Charlie Alutto on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-28 at 03:04:20

Factors that could cause such differences include changes in governmental regulations of the collection, transportation, treatment and disposal of regulated waste or the proper handling and protection of personal and confidential information; increases in transportation and other operating costs; the level of governmental enforcement of regulations governing regulated waste collection and treatment or the proper handling and protection of personal and confidential information; our obligations to service our substantial indebtedness and to comply with the covenants and restrictions contained in our private placement notes, term loan credit facility and revolving credit facility; our ability to execute our acquisition strategy and to integrate acquired businesses; competition and demand for services in the regulated waste and secure information destruction industries; political, economic and currency risks related to our foreign operations; impairments of goodwill or other indefinite-lived intangibles; variability in the demand for services we provide on a project or non-recurring basis; exposure to environmental liabilities, fluctuations in the price we receive for the sale of paper, disruptions in or attacks on our information technology systems; compliance with existing and future legal and regulatory requirements as well as other factors described in our filings with the U.S. Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K.

From Textron's (TXT) CEO Scott Donnelly on Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-20 at 18:52:22

Well I think when we look at what we believe and again the conversations with customers on where we can price this aircraft it's a very, it's a from a customer perspective a very competitive price versus the options that are out there in the market in terms of the performance that you get for the dollars, the capability per dollar so we think we can do that and have it be a very solid profitable program for us.

From Union Pacific's (UNP) CEO Lance Fritz Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-20 at 20:46:04

While we do not expect to improve the operating ratio this year, we will continue to leverage our G55 and Zero initiatives to generate positive core pricing and strong productivity to achieve the lowest operating ratio possible. And as Cam just mentioned, we now expect 2016 capital spending to be down about a hundred million dollar to just under \$3.6 billion, primarily as a result of the delay in the locomotive deliveries.

From Union Pacific's (UNP) CEO Lance Fritz Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-20 at 20:46:04

The macroeconomic environment still has its challenges and unstable global economy, the relatively strong U.S. dollar and continued soft demand for consumer goods. However, certain segments of the economy are showing signs of life. A recent rally in energy prices has crude oil over \$50 a barrel and natural gas over \$3 per million btu, which are both encouraging for our coal and shale-related businesses.

From Union Pacific's (UNP) CEO Lance Fritz Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-20 at 20:46:04

Okay. So it doesn't sound like the utilities are all that dedicated to driving those stockpiles down that aggressively if they are replenishing still fairly aggressively there in the third quarter, just one more question, the U.S. dollar has been sitting at elevated levels relative to foreign currencies now for a year or longer what's your outlook on that for the rest of this year and throughout 2017 and the impact it might have on exports, which are so critical and sort of the bulk side of your business?

From Union Pacific's (UNP) CEO Lance Fritz Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-20 at 20:46:04

Yes John, this is Lance. You are right, the dollar has been strong. We don't make prediction about what the dollar is going to be going forward, but you got to believe all reasonable expectations are it's going to remain strong. In order to change that you need real acceleration in the global market, which would enhance the strength of other currencies and there is just not a lot of catalyst that you see for that. To your point, a strong dollar does make exports difficult however. Even in today's world you see for instance grain exporting of Pacific North-west and the Gulf Coast and into Mexico despite a strong dollar, so market conditions can still prompt commodity movement in global trade. And the other thing to note is that the U.S. is unique in its ability for its manufacturing base to figure out how to be globally competitive over time. I think the shale energy revolution is indicative of that. Where a couple of years ago people would say \$70 a barrel shale oil was competitive and in today's world they say no that's maybe more like \$50 a barrel. So, there's a lot of moving parts there, clearly we would prefer an acceleration in the global economy which would prompt more global trade, which would mean more U.S. exports that all would be really helpful to us.

From United Parcel Service (UPS) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-27 at 16:27:23

Now for some details on the International segment, where we had another record with double-digit operating profit growth for the seventh consecutive quarter. Profit jumped 14% as shipments climbed 7.5%. Revenue was up more than 3% on a currency neutral basis and fuel surcharge did decline, lowering the growth rate by about 70 basis points. U.S. export packages per day rose over 7%. Growth was well-balanced on solid shipments out of Asia and across Europe. The non-U.S. Domestic product increased 7.8% as we transitioned through pricing action we took in 2015. This quarter, it shows it's about getting the right volume in our network. Our International segment is delivering balanced results with great growth and superior returns.

From United Parcel Service (UPS) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-27 at 16:27:23

Hey, guys. Thanks for coming back to me. Apologies for the connection problem before. Richard, maybe could you talk a little bit about International and the underlining performance there? Obviously you're still getting some of that currency benefit. I'm just trying to make sure that the business ex the hedge gain is still chunking along. And if you could give us some commentary on how that growth outlook looks for the fourth quarter, that'd be helpful? Thanks.

From United Parcel Service (UPS) Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-27 at 16:27:23

Europe continues to speed itself up. Again, in some of the opening comments, we've taken a look at

the network and continued to speed it up, and obviously we have. We're up to about 80% of the cities in Europe we can reach by two days in the ground network there, and we'll continue to invest there. So all in all, we think the fourth quarter will be great and we'll continue on absent the currency headwinds that Richard has mentioned to continue the growth in the International segment.

From United Rentals' (URI) CEO Michael Kneeland on Q3 2016 Results -
Earnings Call Transcript
Published on 2016-10-20 at 21:55:07

The remainder was mix and other, which was a positive \$2 million versus last year, so all of those net to the \$4 million or 0.3 decline. Within that rental revenue result, the Canadian currency impact this quarter was fairly minimal. The currency was basically unchanged from last year and so had no significant effect on the overall rental revenue performance. But if you look at the effect of the entirety of our Canadian operations, it's still represented a headwind. Excluding Canada, our U.S. revenue -- U.S. only revenue would have been up 0.8%, so a significant impact from Canada, and we can touch on that more in the Q&A if there are questions.

From United Rentals' (URI) CEO Michael Kneeland on Q3 2016 Results -
Earnings Call Transcript
Published on 2016-10-20 at 21:55:07

Our adjusted EPS \$2.58 for the quarter was up a \$0.01 versus last year and again it had de minimis impact from currency in the year and obviously reflected the impacts of the operational results that we talk about, as well as the benefit of the share repurchase that I'll touch on a little bit later. Free cash flow during the quarter -- year-to-date period, free cash flow was \$846 million and that was better by almost \$340 million compared to last year.

From United Rentals' (URI) CEO Michael Kneeland on Q3 2016 Results -
Earnings Call Transcript
Published on 2016-10-20 at 21:55:07

So quick update on the share repurchase program, we brought \$152 million worth of shares during the course of Q3 that brings our year-to-date total for share purchase to \$476 million. If you extend the look back to the beginning of this current authorization, the billion dollar authorization, we've now spent \$587 million of that billion dollar of authorization that we have. Our plan for the remainder of this year to continue on the pace that we've been, we've been talking about a pace of spend of roughly 150, 160 a quarter, and we plan to continue on that pace in Q4.

From United Rentals' (URI) CEO Michael Kneeland on Q3 2016 Results -
Earnings Call Transcript
Published on 2016-10-20 at 21:55:07

So, Robert, this is Matt. I think everybody is running their playbook and we are aware that we have one national competitor that's still got some growth ahead of them from a filling out their footprint. But at the small de minimis market share that they are at, I'm not sure that drives the changes in the market place as much as the other 70% that we don't have visibility to, for the 25 years in this business that I've been in any market I participated in has somebody trying to get some shift, for various different reasons. So, this is part of being the rental business, you are going to need to sometimes protect share, sometimes gain share. I'll tell you that where we are focused on in making sure we are not just chasing the last dollar of revenue, but profitability remains our focus regardless of what anybody else is doing in. And just to put context, when you think about all the local regional and maybe some semi-national competitors, it's a competitive market, but there is a lot of demand. And we feel that the absorption is better off today than it was six months ago of the fleet in the industry, and we're encourage by that.

From United Technologies (UTX) Q3 2016 Results - Earnings Call Transcript
Published on 2016-10-25 at 21:57:26

With that, let me go through the business unit results for a very solid third quarter. Turning to Otis on slide 4, I'll be speaking to the segments at constant currency as we usually do. And as a reminder, there is an appendix on slide 12 with additional segment data as a reference. In the quarter, Otis sales were \$3 billion, flat to prior year at constant currency. Profit at \$594 million was down 9% at constant currency. Contributions from higher service volume, improved productivity and lower commodity costs were more than offset by continuing price pressure in China and EMEA, additional E&D investments, and the absence of prior-year favorable mark-to-market foreign exchange adjustments.

From Verisk Analytics (VRSK) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-02 at 18:19:17

Thanks, David. Good morning, everybody. In the third quarter, we delivered solid overall results with total and organic constant currency revenue growth of around 6% as we continue to grow faster than our end markets. With almost 8% growth from our combined insurance and financial services businesses, the long-term underlying trends remain encouraging. Profitability remains strong with total EBITDA margins of around 51%.

From Verisk Analytics (VRSK) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-02 at 18:19:17

Thanks, Mark. In the third quarter, we again delivered both revenue and EBITDA growth, while also investing in solutions that we expect will deliver incremental growth in the future. Revenue grew 5.9% and 6.2% on an organic constant currency basis. Our combined insurance and financial services businesses grew 7.7% in the quarter. EBITDA grew 5.9% to \$250 million. This growth excludes the prior period gain on sale of warrants. EBITDA margins were 50.9% in the quarter.

From Verisk Analytics (VRSK) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-02 at 18:19:17

Within Decision Analytics, revenue grew 6.2% and 6.9% on an organic constant currency basis. Again, this quarter, financial services was the fastest growing vertical, while insurance-focused solutions were the largest contributor of dollars to growth. Decision Analytics insurance revenue grew 7.4% in the third quarter. We saw solid growth in underwriting, claims analytics and catastrophe modeling solutions. Loss quantification solutions also contributed to growth in the quarter. Customer retention remains very high, and we are confident in our ability to continue to deliver growth.

From Verisk Analytics (VRSK) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-02 at 18:19:17

We are executing on our 2016 plan despite larger than expected currency headwinds and are actively engaged in planning for the future. We're excited about the opportunities we see for profitable growth and remain confident that we have the financial strength and capital structure to support investment for the long term.

From Verisk Analytics (VRSK) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-02 at 18:19:17

Yes. Thanks. First, just on the energy and specialized markets. Can you – the organic growth that you mentioned was slightly positive on a constant currency basis?

From Verisk Analytics (VRSK) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-02 at 18:19:17

And then with regards to WoodMackenzie, what we've talked about is, for the year, we expect about flat growth on a constant currency basis. And we're tracking towards that. We feel good about the performance of the business there. And I would say sort of by degrees, I think, the third quarter, some of the renewals we've been seeing are positive signs, I would say, that the market continues to be in the state it's in, and so I wouldn't overweight that. But I would say that we're pleased with the performance at WoodMackenzie.

From Verisk Analytics (VRSK) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-02 at 18:19:17

So, a question for you on WoodMac and the GEM renewals. If you look at it on an apples-to-apples basis, meaning adjusted for currency, GEM dollar renewals on a year-over-year basis, are those trending up, flat, down? And then, how do you look at that trend, how do you expect that trend to look over the next 12 months to 18 months?

From Verisk Analytics (VRSK) Q3 2016 Results - Earnings Call Transcript

Published on 2016-11-02 at 18:19:17

That's helpful, thanks. And, the other question, I know you said WoodMac, you still expect it to be flat for the year as you said before. Did you say earlier what the organic constant currency was for WoodMac this quarter specifically?

From Waste Management's (WM) CEO David Steiner on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-26 at 19:59:19

Foreign currency fluctuations had no material impact on revenues, compared to the third quarter of 2015. Looking at internal revenue growth for the Company, in the third quarter, our collection and disposal core price was 4.7% and yield was 2.1% with total volumes improving 1.6%. Volumes were positive for the third consecutive quarter. The combined positive price and positive volume led to total company income from operations growing \$65 million, operating income margin expanding 90 basis points to 18.8%, operating EBITDA growing \$71 million and operating EBITDA margin growing 50 basis points to 28.2%.

From Waste Management's (WM) CEO David Steiner on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-26 at 19:59:19

Moving now to operating expenses. As a percent of revenue, these expenses increased to 10 basis points to 62.5%. For the third quarter, operating expenses increased to \$121 million when compared to the third quarter of 2015. Landfill operating costs represented the largest increase, up \$29 million. \$23 million of the \$29 million increase were the increased leachate cost, which equated to 60 basis points to the percent of revenue. The remainder of the operating cost dollar increase related primarily to our increased volumes and costs from acquired operations, with labor costs increasing \$28 million, cost of goods sold increasing \$25 million, and subcontractor costs increasing \$22 million. These increases were partially offset by savings from lower fuel costs. Over the next 12 to 18 months, we expect to see operating expense margin improvements as we add waste water treatment capacity and as our increased fuel fleet purchases and MSPO initiative began to positively impact maintenance costs.

From Waste Management's (WM) CEO David Steiner on Q3 2016 Results - Earnings Call Transcript

Published on 2016-10-26 at 19:59:19

For the third quarter as a percent of revenue, SG&A costs were 9.3%, an improvement of 50 basis points when compared to the third quarter of 2015. On a dollar basis, SG&A costs were \$330 million, a slight improvement compared to 2015. We've done a nice job controlling SG&A costs as increases in wages and compensation have been offset by other improvements.

From Waste Management's (WM) CEO David Steiner on Q3 2016 Results -
Earnings Call Transcript
Published on 2016-10-26 at 19:59:19

Yes. As you know we've always said, we think that yield should be somewhere around 2%. The overall company was 2.6%, we actually got some positive from recycling and some other areas where we've sort of been negative lately. So, it's pretty much right where we expected to be now, we moved that in the back half of the year. And I think we said on the first two quarter conference call that, that it would probably abate in the second half for the year, between CPI and mix that we would see it come down closely to about 2. But you know when I look at -- when I look at pricing increasingly, we're looking at core price, not yield, because yield has those mix issue in it. Yield has some of the CPI issues in it. But core price is the actually dollar that we're putting on the street and holding onto in pricing. And as you saw, that was up 70 basis points this quarter. What we said as that we think core price should be sort of at that 4% number year-in and year-out. We would expect that to continue. And so, we continue to get that 4% plus core price, yield should continue at around 2%. But we're going to get too worked up over a few basis points of moment here or there based on CPI or on mix.

From Waste Management's (WM) CEO David Steiner on Q3 2016 Results -
Earnings Call Transcript
Published on 2016-10-26 at 19:59:19

I do think it is, it is watching the costs. And the Jims and the operating folks have done a spectacular job of keeping SG&A flat despite the fact we gave a 2.5% to 3% merit increase, every year. So, they've done a nice job of keeping the dollars flat. And then, if the revenue goes up, that's where you get the expansion. And look, we've always said, if we can start putting volume onto this sort of high fixed cost structure that we have, that's how we generate margin expansion. And we feel like we've got the right level of SG&A in order to meet the needs of the business whether it's in today's environment or in next year's environment where we see the volumes go -- continuing to go up. And so, we don't think that we're going to have to add a lot of dollars of SG&A. We've done a nice job on SG&A over the last five years of taking out costs, I would tell you there's not any big dramatic decrease in SG&A. It's just a matter of making sure that you're not adding people that you don't have to add. That you're not adding expenses that you don't have to add. And Jim and the operating guys do a spectacular job of looking at every dollar of SG&A we spend and making sure that it's justified.

From Xylem (XYL) Q3 2016 Results - Earnings Call Transcript
Published on 2016-11-01 at 18:57:28

Thanks, Patrick. Organic revenues were flat in the quarter. We generated a point of growth from acquisitions, which was offset by currency impacts. We had another quarter of strong growth in public utilities, which help mitigate increasing softness in the industrial end markets.