

Owens Corning expects more profits in rest of '12

The Associated Press

Owens Corning said Wednesday that its net income sank by half in the second quarter, as the construction and industrial-materials maker's sales softened and expenses rose.

Management said it no longer expects that its adjusted earnings before interest and taxes will grow this year, citing a weaker outlook for its roofing segment. However, the company anticipates that its profits will improve in the second half of the year versus the first six months of 2012.

The company's shares rose 63 cents, or 2.4 percent, to close Tuesday at \$27.49.

Owens Corning reported net income of \$39 million, or 32 cents per share, for the three months ended June 30. That compares with net income of \$78 million, or 62 cents per share, in the same quarter last year.

Excluding one-time items, the company's earnings per share amounted to 54 cents, well short of Wall Street expectations.

Analysts, on average, had anticipated adjusted earnings per share of 64 cents, according to FactSet.

Revenue fell 4 percent to \$1.39 billion from \$1.45 billion a year earlier. Analysts were looking for revenue of \$1.5 billion.

Owens Corning's operating expenses climbed about 7 percent to \$154 million. Higher asphalt costs ate into the company's roofing unit's profits, management noted.

Looking ahead, Owens Corning anticipates U.S. homebuilders will break ground this year on between 700,000 to 750,000 homes. On the basis of that outlook, the company expects its insulation segment will significantly narrow its losses this year.

Owens Corning also projects that its composites business, which serves industries including transportation, wind energy and telecoms, will show improved financial performance in the second half of this year and return to double-digit margins next year.

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