

Parametric Technology 1Q Profit More Than Triples, Shares Up

Tuesday reported its fiscal first-quarter profit more than tripled on higher margins and growing license revenue, as the software provider also lifted its fiscal year target.

Following the results, which easily topped expectations, shares jumped 7.4% to \$16.90 in after-hours trading. The company also sees second-quarter earnings of 14 cents to 20 cents on revenue of \$235 million to \$245 million. Analysts polled by Thomson Reuters had expected 20 cents and \$234 million, respectively. Parametric Technology also sees full-year earnings of \$1 on revenue of \$1.02 billion, up from its view earlier this month of earnings of 96 cents and revenue of about \$980 million.

Parametric provides manufacturers with software and services to meet globalization and operational efficiency objectives. It serves a number of industries, including the automotive, consumer and industrial sectors.

For the quarter ended Jan. 2, Parametric Technology reported earnings of \$17.9 million, or 15 cents a share, up from \$4.7 million, or 4 cents a share, a year earlier. Excluding stock-based compensation and other items, earnings rose to 27 cents from 15 cents.

Revenue climbed 7.5% to \$258.4 million.

Earlier this month, the company affirmed it expected to report earnings of 12 cents to 18 cents on revenue of \$230 million to \$240 million.

Operating margins surged to 8.6% from 1.5%.

Services sales, which make up a majority of the company's revenue, fell 3.4%, while license revenue grew 48%.