Fossil shares tumble after-hours as sales slowdown hits watchmaker’s earnings

Shares of Fossil Group Inc (NASDAQ:FOSL) slumped in after-hours trade Wednesday after the maker of watches, jewelry and handbags missed Wall Street's estimates for both profit and revenue in the fiscal fourth quarter, due to a slowdown in sales in the Americas and Europe.

In the three months ended December 29, the Richardson, Texas-based company posted net income of $47.6 million, or $0.94 per share, compared with a net loss of $79.9 million, or $1.65 per share. Analysts had called for Fossil to earn $1.09 per share.

Fossil's revenue came in at $787 million, which missed the consensus estimate of $806.67 million.

In response, Fossil shares shed nearly 17% after the closing bell to hit $13.16.

Sales in the Americas dropped to $377 million, compared with $441 million a year earlier, and revenue was down in Europe, which brought in $272 million in the quarter, down from $336 million.

In a statement, CEO Kosta Kartsotis said selling watches and pruning costs would be the focus this year.

"As we begin 2019, our priorities continue to focus on capitalizing on the opportunity in connected, stabilizing traditional watch sales, and increasing efficiency across our company," Kartsotis said.

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