

Proactive Group

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Secureworks fiscal 1Q earnings beat Street as companies boost spending on cybersecurity

Secureworks Corp (NASDAQ:SCWX) narrowed fiscal first-quarter losses Wednesday on revenue that handily beat analyst expectations as the cybersecurity provider benefited from higher spending by companies to fend off cyber attacks.

For the quarter ended April 2019, the Atlanta-based company posted a loss of \$0.02 per share on revenue of \$132.8 million. The consensus estimate was a loss of \$0.05 per share on revenue of \$132.1 million. Revenue grew 5.3% on a year-over-year basis.

But a humdrum outlook did the shares in. Secureworks stock fell 7.5% to \$13.4 in morning trading. .

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The company said it expects a fiscal second quarter loss of \$0.05 to \$0.04 per share on revenue of \$132 million to \$134 million. The current consensus estimate is a loss of \$0.04 per share on revenue of \$139.3 million for the quarter ending July 31, 2019. Secureworks also said it now expects a fiscal year loss of \$0.13 to \$0.10 per share on revenue of \$535 million to \$545 million.

"As a leader in the evolving cybersecurity market, we are re-imagining how security is done. I am excited about our strategic transition to delivering software-driven security solutions and the achievement of another milestone in this journey, the launch of Red Cloak Threat Detection and Response, the first software application on our new platform," said Secureworks Corp CEO Michael R Cote.

Secureworks recently launched Red Cloak, a SaaS-based security analytics application which helps security analysts detect advanced threats.

Dell Technologies Inc holds a nearly 86% stake in Secureworks. Its shares were off by 3% to \$55.83

Contact Uttara Choudhury at uttara@proactiveinvestors.com

Follow her on Twitter: [@UttaraProactive](https://twitter.com/UttaraProactive)

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