

WD-40 Company

09:34 18 Oct 2019

WD-40 stock slips on fiscal 4Q profit dip, uninspired 2020 guidance

WD-40 Company (NASDAQ:NASDAQ:WDFC) shares slid after its fiscal fourth quarter results showed declining profits and underwhelming guidance.

The maker of the signature solvent spray posted net income of \$8.6 million in the quarter, a 60% drop year over year.

Investors didn't respond well, dropping WD-40's share price 4% to \$175.32.

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The reason for such a significant dropoff, the company said, was an \$8.7 million tax reserve.

"In the fourth quarter, net income and diluted earnings per share were negatively impacted by an \$8.7 million reserve for an uncertain tax position that we recorded, and previously disclosed, during the fourth quarter," CFO Jay Rembolt said in a statement.

"Because of this adjustment, our net income is significantly lower on a year-over-year basis in both the quarter and the full fiscal year. The good news is that this a one-time charge and the high tax rate we recorded is not expected to carry into fiscal year 2020."

That said, the company still beat expectations. Overall, WD-40 saw revenue grow 4% to \$106.7 million and per share earnings came in at \$0.63. Analysts polled by FactSet had projected revenue of \$106.3 million and earnings of \$0.60 per share.

Guidance, though, was the company's squeaky wheel. For fiscal 2020, WD-40 projected earnings between \$4.74 and \$4.83 per share, a range below analysts' expectations of \$4.96 per share. Revenue is expected to fall between \$436 million and \$453 million, while analysts project \$445 million.

Contact Andrew Kessel at andrew.kessel@proactiveinvestors.com

Follow him on Twitter [@andrew_kessel](https://twitter.com/andrew_kessel)

Price: 193.47

Market Cap: \$2.64 billion

1 Year Share Price Graph



Share Information

Code: WDFC

Listing: NASDAQ

52 week	High	Low
	210.99	151.5

Sector: Materials

Website: investor.wd40company.com

Company Synopsis:

WD-40 Company (NASDAQ:WDFC) engages in the development and sale of maintenance products, and homecare and cleaning products.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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