

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

SonoSite Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). We'll hear first from Alan Robinson with RBC

Alan Robinson - RBC

Hi, very good afternoon everybody. Congratulations on the revenue number there.

Anne Bugge

Thank you.

Kevin Goodwin

Hello, Alan.

Alan Robinson - RBC

Just on the guidance first of all, Kevin. So, you are looking at the top end of your previous range now for the year for revenue increase, 18%. I guess. That kind of implies to me sub-14% growth for the fourth quarter of the year, which would be the lowest growth over the last seven quarters. Is there anything really going on there or is it more just a case of conservatism there?

Kevin Goodwin

That's what we're estimating. Last year, we had a robust quarter in the fourth quarter coming out of a couple of less robust quarters. And I'd say that's where the estimate stands at now. We certainly have momentum but by no means would we over-forecast from here.

Alan Robinson - RBC

I guess the question is, are you scaling down your expectations for the fourth quarter to reflect just caution with regard to the new product launches?

Kevin Goodwin

Well certainly, Alan, when you launch five new products let alone one, and they are all really good, you have a process of having the market and the channels digest them. So, that is the concern, sure.

Mike Schuh

Alan, if I could add, if you look at last year, you also have a difficult comp with the International side, which had 41% growth in the fourth quarter last year. So, just keep that in mind.

Alan Robinson - RBC

Okay, fair enough. And then just finally with the new S series range that you've announced, it looks like you are moving away from the Swiss Army knife approach to develop more of an application-specific product lineup.

So how does this design approach impact the number of transducers you expect to sell with a typical unit? Will there be fewer per unit or more or the same, or how will that workout?

Kevin Goodwin

We actually expect rather the same number of transducers to be sold per system, but you did the nail on the head. The application-specific ultrasound, first of its kind in the world of ultrasound and medicine, a category that's now being, if you will, derive from the hand-carry ultrasound category, and we are very excited about at the probe it. The probe per unit estimate is really going to be a constant, in our view.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.