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Electronics for Imaging Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from Shannon Cross with Cross Research.

Shannon Cross - Cross Research

Hi, good afternoon.

John Ritchie

Hi Shannon.

Shannon Cross - Cross Research

Can you first talk a little bit about what you're seeing in the marketplace. I know you said things aren't getting worse -- maybe they're not getting better. But just anything you can -- anymore detail you can give -- possible linearity in the quarter or what you're hearing from your partners. Because obviously this is a huge question for investors and then also, if you can talk a little bit about some of the impacts from the IKON, Ricoh transaction. Just what's sort of out there that we should be aware of?

Guy Gecht

Okay. I think the kind of the general line as what you said, it's not getting worst, not getting better. It was a very tough quarter for our partners as well as our self. Hardware sale in the printing industry is difficult you see, it was without the people and I'd say and we're following these right. And the higher-end device the more cash involve, so it's more difficult to sell

Financing in Europe specially is still an issue to get, so for customers they want to move forward with new devices. Its in many cases is tough for them to get financing or its take long, it take months until they get approval.

Having said that, we saw the ink improving in the second half of the quarter, slightly not something tremendous remember, we said the ink UVE was down 7% year-over-year and that was something that was going 25%, 30% just few couple of quarters ago, just three quarters ago.

So, that was a good sign, we certainly see interest, our estimated inkjet business will grow sequentially its mostly based on new products in VUTEk in Raster they continue grow for Jetrion and not necessarily any uptake in any demand. And I think our OEMs are seeing similar things to what we're seeing it's probably easier to sell to enterprise wholesale this is easier compared easier not

easy compared to selling to Graphic Art at this point, which having a tougher balance sheet tougher time to gain any financing.

So, that's going fund from that front. The OEMs are also seeing a good traction on the relatively better traction on the entry point production compared to the full grown production better in color than black and white I think you know all that.

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