

Acorn International, Inc. (ADR)

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Acorn International Q3 earnings impacted by debt provisions

Chinese direct sales and distribution company Acorn International (NYSE:ATV) said Tuesday that third-quarter earnings were impacted by \$1.5 million in bad debt provisions despite an 18 percent jump in sales.

For the quarter that ended September 30, net income fell to \$1.5 million, or 5 cents per share, compared to \$3.2 million, or 11 cents per share, a year earlier.

Revenues grew 18.2 percent to \$107.8 million from \$91.2 million a year ago.

Acorn president and CEO, Don Yang, said: "Our operating performance this quarter was significantly impacted by the \$1.5 million bad debt provisions related to the transitioning of certain local delivery companies used to fulfill our direct sales orders to improve the successful goods delivery rate."

Gross margin increased to 42.0 percent from 36.8 percent for the third quarter of 2010.

Direct sales contributed 74.7 percent to total net revenues, and grew due to strong sales in mobile handsets, collectibles, cosmetics and digital devices, partially offset by a decrease in electronic learning product sales.

Yang said: "The solid performance of our direct sales segment helped us maintain growth momentum during the third quarter of 2011. Non-TV direct sales were the main contributor, primarily as a result of sales generated from third-party bank channels and outbound calls that utilized our vast customer database resources for active sales outreach."

For the full year, Acorn reiterated its revenue guidance of between \$340 and \$380 million. The company is adjusting its net income forecast to be between \$5 and \$7 million.

Price: 14.717

Market Cap: \$37.98 m

1 Year Share Price Graph



May 2019 November 2019 May 2020

Share Information

Code: ATV

Listing: NYSE

52 week	High	Low
	29	7.96

Sector: Retail

Website: www.chinadrvtv.com

Company Synopsis:

Acorn International, Inc. incorporated on December 20, 2005, is a media and branding company. It develops, promotes and sells consumer products through its integrated sales platform.

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