



Why GoPro Stock Plunged Today

Description

What happened

Shares of **GoPro** ([NASDAQ: GPRO](#)) were down 24.8% as of 11:00 a.m. EDT Thursday after the action-camera specialist reduced its full-year 2019 outlook.

Blaming “a late stage production delay” for its just-announced HERO8 Black camera, GoPro now expects 2019 revenue in the range of \$1.215 billion to \$1.25 billion, good for growth of 6% to 9% from 2018, which should translate to adjusted (non-[GAAP](#)) earnings per share of \$0.30 to \$0.35. By comparison, GoPro’s previous guidance ([provided in early August](#)) called for 2019 revenue growth of 9% to 12%, and most analysts were looking for higher 2019 earnings of \$0.39 per share.

So what

More specifically, GoPro is shifting HERO8 Black shipments from the third quarter (as originally planned) to the fourth quarter. As such, GoPro now expects third-quarter revenue to be in the range of \$123 million to \$127 million, down sharply from \$286 million a year earlier, which should translate to an adjusted net loss of \$75 million to \$65 million. For the entire second half of this year, GoPro sees revenue in the range of \$680 million to \$715 million, or growth of 6% to 9%, down from its previous second-half target for 9% to 12% growth.

Now what

To be fair, investors can take some solace knowing GoPro still expects its new products to be available for the bulk of the lucrative holiday season. But given its modest full-year guidance reduction, it’s clear the company anticipates missing out on some early holiday demand. Considering this [isn’t GoPro’s first botched product launch](#), and that the company is still squarely in the middle of a turnaround through which it hopes to return to [sustained, profitable growth](#), it’s hardly surprising to see the stock plunging as the market absorbs the news.

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1. NASDAQ:GPRO (GoPro, Inc.)

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