

J.M. Smucker 2Q Earnings Rise

ORRVILLE, Ohio (AP) — J. M. Smucker's second-quarter earnings rose 17 percent on higher prices and sales from a newly acquired business. It also raised its outlook for the year, but perhaps not as much as Wall Street was banking on. Shares slipped slightly before the opening bell.

The company, which makes Jif peanut butter and Folgers coffee, earned \$148.8 million, or \$1.36 per share, compared with \$127.2 million, or \$1.12 per share, a year ago.

The per-share results fell well under Wall Street's expectations. Analysts polled by FactSet forecast a profit of \$1.45 per share.

Revenue rose 8 percent to \$1.63 billion, matching analysts predictions.

"Overall consumer spending appears to be on the upswing which is welcome news for the industry," President and Chief Operating Officer Vince Byrd said in a statement. "The tactical adjustments we made to address market conditions are working. We have optimized price points, closed price gaps, and strengthened merchandising. Consumers continue to respond positively to these actions and to our brand-building initiatives, product innovations, and new brand additions. We are well-poised for the holiday season and another year of growth."

Quarterly sales were driven by the acquisition of Sara Lee's foodservice and hot beverage business, according to J. M. Smucker Co. The company didn't get the overall price increases it wanted because price declines on coffee offset increases in peanut butter prices. Overall sales volume fell 2 percent.

The Ohio food producer also raised its forecast for the full fiscal year that ends next April. The company expects to report an adjusted profit of between \$5.12 and \$5.22 per share, compared with a previous range of \$5 to \$5.10. Sales are expected to increase 7 percent from last year, indicating a prediction of \$5.92 billion.

The new forecast is still mostly under what Wall Street is hoping for. Analysts, on average, expect the company to earn \$5.19 per share on revenue of \$5.95 billion.

Source URL (retrieved on 01/28/2015 - 11:40pm):

<http://www.foodmanufacturing.com/news/2012/11/jm-smucker-2q-earnings-rise>