Starbucks up Ahead of 1Q Report

NEW YORK (AP) — Shares of Starbucks were up slightly in premarket trading Thursday with analysts expecting the coffee company to report a higher profit for its fiscal first quarter after the closing bell.

The higher expectations come as Starbucks has continued expanding its footprint and diversifying its business mix. Last month, the Seattle-based company said during its investor day that it planned to operate 20,000 cafes globally in the next two years, up from its current 18,000.

The company has also made several acquisitions recently, including the purchase of a small San Francisco bakery called La Boulange, a mall-based tea shop chain called Teavana and Evolution fresh juice. Executives have said those acquisitions are partly intended to strengthen its core business because the products can be offered at its cafes.

This past fall, Starbucks also introduced a single-serve coffee brewer called Verismo to tap into the fast-growing market for at-home coffee machines.

A weak spot for Starbucks has been Europe, where a key sales figure fell 1 percent in the previous quarter. The company has said that the closure of underperforming stores and other measures to improve customer service should improve results in coming quarters.

Starbucks' upbeat expansion plans mark a turnaround from its struggles during the recession. After hitting a rough patch, the company brought back founder Howard Schultz as CEO in 2008 and embarked on a restructuring effort that included closing 10 percent of its U.S. stores.

For the quarter, analysts on average expect a profit of 57 cents per share on revenue of $3.85 billion, according to FactSet. In the year-ago period, the company earned $382.1 million, or 50 cents per share. Revenue was $3.44 billion.

Shares of Starbucks Corp. were up 24 cents in the premarket at $54.70.

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