Green Mountain Sells More Coffee in 1Q

WATERBURY, Vt. (AP) — Green Mountain Coffee's net income rose 3 percent in its most recent quarter as it sold more single-serve coffee packs and brewers.

But its forecast for revenues in the current quarter was below what analysts had been expecting and the company's stock was down almost 7 percent in extended trading.

The Waterbury, Vt., seller of Keurig brewers and K-Cup coffee packs did, however, lift its profit estimate for the year to above what Wall Street was expecting, despite saying it expected slowdown in the industry.

"While we expect growth will continue to moderate in the overall total coffee and espresso maker category, we also expect our share of the category to continue to increase," said Green Mountain CEO Brian Kelley.

For the three months through Dec. 29, Green Mountain Coffee Roasters Inc. posted profit of $107.6 million, or 70 cents per share, compared with $104.4 million, or 66 cents per share, in the fiscal first quarter the year before.

Adjusted profit came to 76 cents per share, while revenue grew 16 percent to $1.34 billion from $1.16 billion. Analysts polled by FactSet expected profit of 65 cents per share on revenue of $1.33 billion.

The company became more profitable as coffee costs dropped and customers made fewer sales returns. The launch of the new Vue brewer cut profitability, however.

Sales of single-serve coffee packs, the make up the bulk of the company's revenue, rose 21 percent. Brewers and accessories sales rose 14 percent.

Some investors have been concerned that Green Mountain, a pioneer of the single-serve machines, would suffer when other companies launched similar products. The company has added new brewer models and increased sales choices of its single-serve beverage packets.

Green Mountain is also still facing a long-running Securities and Exchange Commission inquiry into its accounting practices.

For the current quarter, which ends in March, Green Mountain predicted adjusted earnings of 70 to 75 cents per share on revenue of $1.01 billion to $1.04 billion. Analysts expect profit of 72 cents per share on revenue of $1.06 billion.

Green Mountain also raised its earnings for the full fiscal year ending in September to $2.72 to $2.82 per share from $2.64 to $2.74 per share. Analysts predict $2.68 per share.

The company maintained its previous revenue growth prediction, which brackets Wall Street's forecast.

Investors drove its shares down $3.25 to $45.56 in after-hours trading. The stock has dropped 29 percent over the past 12 months as of Wednesday's close.

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