

# Green Mountain Shares Tumble on Weak Outlook

NEW YORK (AP) — Shares of Green Mountain Coffee Roasters slid 4 percent Thursday after the company issued a weaker-than-expected revenue forecast for the current quarter.

**THE SPARK:** While Green Mountain's fiscal first-quarter results beat Wall Street predictions, it said that it expects a slowdown in the overall coffee industry. The company projected a second-quarter profit 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.

**THE BIG PICTURE:** The Waterbury, Vt.-company sells Keurig brewers and K-Cup coffee packs.

Some investors have worried that Green Mountain, which pioneered 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 also still faces a long-running Securities and Exchange Commission inquiry into its accounting practices.

Despite the weak second-quarter sales outlook, the company lifted its full-year profit prediction to a level above current analysts' predictions.

**THE ANALYSIS:** Janney Capital Markets analyst backed his "Neutral" rating for Green Mountain, saying that while shipments of brewers and K-Cups remain volatile from quarter to quarter, they're strong overall and the company could beat its 2013 sales guidance.

But Stifel Nicolaus analyst Mark Astrachan was less optimistic and backed his "Sell" rating, calling the company's first-quarter sales growth "disappointing" and noting that its second-quarter prediction fell well below estimates.

Astrachan said he expects shipments of Keurig brewers to decline, and along with increasing competition, further pressure the company's sales of K-Cups and profits into the second half of this year.

**THE SHARES:** of Green Mountain Coffee Roasters Inc. fell \$2.06 to \$46.88 in heavy afternoon trading, after dropping as low as \$43.85 earlier in the day. Over the past 52 week, the shares have traded between \$17.11 and \$71.15.

Over the past six months, shares have more than doubled.

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Published on Food Manufacturing (<http://www.foodmanufacturing.com>)

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**Source URL (retrieved on 04/27/2015 - 5:19am):**

<http://www.foodmanufacturing.com/news/2013/02/green-mountain-shares-tumble-weak-outlook>