

Jack Daniel's Stirs 3Q Gain for Brown-Forman

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In this Dec. 5, 2011 file photo, bottles of Jack Daniel's Tennessee Whiskey, line the shelves of a liquor outlet, in Montpelier, Vt. Brown-Forman Corp.'s whiskey lineup, led by its flagship Jack Daniel's brand, stirred a 12 percent increase in third-quarter net income as the spirits maker reported broad sales gain in the U.S. and overseas, the company reported Wednesday, March 5, 2014. (AP Photo/Toby Talbot, File)

LOUISVILLE, Ky. (AP) — Brown-Forman Corp.'s whiskey lineup, led by its flagship [Jack Daniel's brand](#) [1], stirred a 12 percent increase in third-quarter net income as the spirits maker reported broad sales gains in the U.S. and overseas.

The company behind such other brands as Southern Comfort, Finlandia and el Jimador beat Wall Street forecasts for the three-month period. It also raised its full-year earnings outlook.

Its shares rose more than 4 percent in morning trading Wednesday.

"We delivered great top- and bottom-line results in the third quarter, continuing the momentum from the first half," said Brown-Forman CEO Paul Varga. "We believe our top-tier performance was due primarily to the global strength of the Jack Daniel's trademark," along with its brand innovations, its performance across various price levels and its "limited exposure to some of the emerging markets that have decelerated."

Overall, the company reported net income of \$177 million, or 82 cents per share, for the three months ending Jan. 31. That's up from \$157 million, or 73 cents per share, a year ago. Quarterly net sales rose 5 percent to nearly \$1.08 billion.

Analysts expected earnings of 75 cents per share on revenue of \$1.08 billion.

For the first nine months of the fiscal year, net sales for the entire Jack Daniel's

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brand increased 8 percent, when excluding currency swings, the company said Wednesday. It reported continued strong sales for Jack Daniel's Tennessee Honey.

The Louisville-based company's premium Woodford Reserve [bourbon](#) [2] brand had strong double-digit net sales growth during the nine-month period. Its venerable Old Forester bourbon also posted double-digit growth, it said.

The company reported 3 percent growth in U.S. net sales on a constant-currency basis for the nine-month period.

In developed markets outside the U.S., its net sales grew 5 percent for the nine months when excluding foreign currency swings. It reported double-digit growth in the United Kingdom, Japan and France, along with high single-digit growth in Germany.

In other markets, the company posted double-digit net sales gains in China, Brazil, Russia, Thailand, Turkey and India.

The company boosted its full-year forecast to a range of \$2.95 and \$3.05 per share, up from a range of \$2.80 to \$3 per share. Analysts expected \$2.96 per share for the year.

The performance among its brands was mixed during the nine-month period.

Net sales for Finlandia vodka products rose 7 percent when excluding currency swings. Net sales for the el Jimador tequila lineup dropped 5 percent on the same constant-currency basis, and sales for the Southern Comfort brand also were down 5 percent.

Sales for Korbel Champagne rose 3 percent, while Canadian Mist sales slipped 1 percent.

Brown Forman's Class B shares rose \$3.09, or 3.7 percent, to \$87.10 in morning trading. They are up 28 percent since a year ago.

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[1] https://twitter.com/JackDaniels_US

[2] <http://www.foodmanufacturing.com/news/2014/02/bourbon-tenn-whiskey-sales-rise>