

Dr Pepper Snapple 1Q Profit Beats Expectations

NEW YORK (AP) — [Dr Pepper Snapple](#) [1] on Wednesday reported a higher first-quarter profit that beat Wall Street expectations, as reduced costs offset weak sales growth.

The company, which sells Sunkist, 7Up, Hawaiian Punch and other drinks in North America and the Caribbean, said lower costs for ingredients and productivity improvements helped boost operating profit. The company, based in Plano, Texas, stood by its outlook for the full year.

Shares of Dr Pepper rose 5 percent at \$54.98 in pre-market trading.

During the first three months of the year, Dr Pepper Snapple Group Inc. noted that [soda sales continued to face "significant headwinds."](#) [2] Overall bottler case volume fell 1 percent, including a 1 percent decline for carbonated soft drinks. Last week, Coca-Cola Co. and PepsiCo Inc. also said their soda volumes slipped 1 percent in North America.

Dr Pepper said volume for its namesake soda fell 4 percent in the period, while Sunkist saw a low-single-digit decline. Volume from fountain sales at restaurants and other locations fell 3 percent. The company is trying to boost soda performance with line of "Ten" drinks that have just 10 calories. The idea is that it can win over people who don't like the taste of traditional diet sodas, as well as people who don't want to guzzle all the high-fructose corn syrup in regular sodas.

In noncarbonated drinks, the company said Hawaiian Punch fell 8 percent and Mott's declined 1 percent. Snapple rose 2 percent and Clamato rose 3 percent.

For the period ending March 31, Dr Pepper earned \$155 million, or 78 cents per share. Not including one-time items, it earned 74 cents per share, above the 59 cents per share analysts expected.

A year ago, the company earned \$106 million, or 51 cents per share.

Revenue rose to \$1.4 billion, above the \$1.38 billion Wall Street expected, according to FactSet.

Looking ahead, the company expects net sales to be flat to up 1 percent and core earnings per share to be in the \$3.38 to \$3.46 range.

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<http://www.foodmanufacturing.com/news/2014/04/dr-pepper-snapple-1q-profit-beats-expectations>

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[1] <https://twitter.com/DrPepperSnapple>

[2] <http://www.foodmanufacturing.com/news/2014/04/dr-pepper-snapple-rating-lowered-struggling-soda-sales>