

Dr Pepper Snapple Group 2Q Profits Climb 35 Percent

Associated Press

PLANO, Texas (AP) — Dr Pepper Snapple Group Inc.'s second-quarter net income rose 35 percent, thanks to lower expenses and improved volumes.

The Plano, Texas-based company's profit topped analysts' expectations, and it raised its full-year adjusted earnings forecast.

Shares climbed more than 3 percent in morning trading Thursday.

For the period ended June 30, the seller of beverages such as 7Up, Sunkist and Hawaiian Punch reported that net income increased to \$210 million, or \$1.06 per share, from \$155 million, or 76 cents per share, a year earlier.

The average per-share estimate of analysts surveyed by Zacks Investment Research was for earnings of 92 cents.

Selling, general and administrative expenses declined to \$592 million from \$619 million, while interest expense dropped to \$27 million from \$31 million.

Revenue edged up 1.2 percent to \$1.63 billion from \$1.61 billion, matching Wall Street's forecast.

Carbonated soft drink volume climbed 2 percent, with Canada Dry posting a high single-digit increase. Peñafiel and Schweppes both reported a double digit rise.

Sales volume edged up 1 percent.

Dr. Pepper Snapple expects full-year adjusted earnings in the range of \$3.43 to \$3.51 per share. Its prior outlook was for \$3.38 to \$3.46 per share. Analysts surveyed by FactSet predict \$3.47 per share.

The company reaffirmed its outlook for 2014 revenue to be flat to up 1 percent.

Dr Pepper Snapple Group's stock added \$1.98, or 3.4 percent, to \$60.42 in morning trading.

The shares have climbed \$9.72, or 20 percent, to \$58.44 since the beginning of the year, while the Standard & Poor's 500 index has increased 7.5 percent. The stock has increased \$12.12, or 26 percent, in the last 12 months.

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