Hersheyâ??s profit tops estimates on Kit Kat sales, lower costs

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Hershey said sales in North America—which make up the bulk of its revenue—rose 1.6 percent to $1.79 billion in the quarter ended Oct. 1, helped by Kisses and Kit Kat as well as the launch of items such as Chocolate Dipped Pretzels.

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Cost of sales fell 5.2 percent to $1.09 billion in the third quarter.

The price of cocoa, estimated to make up about 10 to 15 percent of Hersheyâ??s cost of goods, has fallen more than 30 percent since last summer and could continue to decline in the next few years, analysts have said.

Hersheyâ??s net income rose 20 percent to $273.3 million or $1.28 per share in the quarter.

Excluding one-time items, Hershey earned $1.33 per share, beating analystsâ?? average estimate of $1.29, according to Thomson Reuters.

Net sales rose slightly to $2.03 billion and inched past analystsâ?? expectations of $2.01 billion.

Hershey also announced a $100 million share buyback program.