Hain Celestial financial troubles

Aisha Al-Muslim
Hain stock plunge spurs calls over accounting issues

BY AISHA AL-MUSLIM
aisha.al-muslim@newsday.com

Organic and natural products maker Hain Celestial Group Inc., which disclosed late Monday that it was delaying its earnings report amid a review of its accounting, will need to be transparent about its findings and quickly release its earnings to win back Wall Street’s trust, analysts said.

Shares of Hain Celestial plunged more than 26 percent yesterday from their closing price Monday, to $39.35 on the Nasdaq Stock Market. The Lake Success-based company said Monday that it doesn’t expect to reach its previously announced revenue forecast for fiscal 2016 of $2.946 billion to $2.966 billion.

“It is going to be down to transparency as [Hain Celestial] learns more about the accounting issues,” said Zain Akbari, an analyst for Morning Star Investment Services, a Chicago-based investment research firm. “The sooner they can get an accurate report of fourth and full year earnings the better. Right now there is a lack of confidence in the numbers.”

A spokesperson for Hain Celestial, which owns brands including Celestial Seasonings tea, Earth’s Best baby food, Terra chips and Spectrum oils, said yesterday the company was not in a position to comment beyond the news release.

The accounting issues are the primary cause of the stock decline for Hain Celestial, Akbari said: “It calls into the question the prior results, whether they were accurate or not.”

Tammy Straus, audit partner for accounting firm Grassi & Co. based in Jericho, said late Monday that Hain was “doing the right thing” by reviewing its accounting, and said she expected the stock price to recover once the company completes its evaluation.

Hain’s sales, according to its latest report, increased 6.1 percent compared with the same period a year ago. The cost of energy and groceries.

Year-over-year changes in the index have been 1 percent or less since December 2014, according to Martin Kohli, the bureau’s chief regional economist.

In July, health care prices increased 18.3 percent between last month and July 2015. Electricity was down 2.6 percent in the same period while natural gas was up 2.3 percent.

Grocery prices declined 1.6 percent in July compared with a year ago.

However, restaurant meals cost 3.5 percent more than in July 2015.