

US vaping backlash sparks profit warning at Imperial

September 26 2019



A spate of vaping-linked deaths and illnesses has led to a backlash against e-cigarettes

Shares in British tobacco giant Imperial Brands slumped Thursday after

it issued a profit-warning linked to a backlash against vaping in the United States.

Imperial, whose e-cigarette [brand](#) is blu and traditional tobacco brands include Davidoff and Gauloises, expects annual revenue to grow 2.0 percent, down from guidance of as much as 4.0 percent, it said in a statement.

The group blamed the downgrade on "a challenging NGP (next generation products) market in the USA", as well as a weaker performance from its Africa, Asia and Australasia division.

In reaction, the share price of Imperial Brands tumbled 10.4 percent to £18.50 on London's benchmark FTSE 100 index, which was up 1.0 percent nearing midday.

Rival British American Tobacco, which this month axed 2,300 jobs as part of a drive towards controversial e-cigarettes, saw its stock slide 0.9 percent to £28.97.

"Imperial Brands lowered its full-year outlook as there has been a backlash against vaping in the US," noted David Madden, analyst at CMC Markets UK.

"In some countries, cigarette sales have been in decline, so major [tobacco](#) firms has been ramping up their investments in alternative products like vaping, but given the recent adverse reaction to vaping, traders are fearful the sector will be squeezed."

US President Donald Trump's administration is considering an outright ban on flavoured e-cigarette products, which authorities say target teen users, following a spate of [vaping](#)-linked deaths.

Imperial meanwhile was not the London stock market's biggest faller Thursday.

Instead shares in publisher Pearson nosedived 17.8 percent to 708 pence after the company warned it would take a hit from weaker-than-expected trade at its US higher educational courseware business.

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Citation: US vaping backlash sparks profit warning at Imperial (2019, September 26) retrieved 15 June 2024 from

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