

Ahead of the Bell: Netflix to unveil 1Q results

April 23 2012

(AP) -- Investors will be focusing on how many customers Netflix has been adding and how much money the company has been losing when the video subscription service releases its first-quarter results.

The numbers, due out after the stock market closes Monday, will provide the latest gauge on how well [Netflix](#) is recovering from a jarring customer backlash as it deals with steadily rising Internet video licensing fees on top of the costs for an international expansion.

The higher expenses are the main reason Netflix is expected to report its first [quarterly loss](#) in seven years. The company, which is based in Los Gatos, Calif., already braced Wall Street for the setback with a forecast released in January. The red ink is expected to keep flowing for at least several more months, culminating in Netflix's first annual loss in a decade.

The first-quarter loss could quickly become an afterthought if it looks like Netflix's subscriber growth is accelerating again. That would be a sign that Netflix has repaired the damage that it caused last summer when it raised its U.S. prices by as much as 60 percent for subscribers who wanted to stream video over high-speed Internet connections and rent DVDs through the mail.

In January, Netflix predicted its [streaming service](#) might pick up as many as 1.9 million customers during the first three months of the year to end the quarter with as many as 23.6 million subscribers. The company expects to lose as many as 1.8 million DVD-by-mail

subscribers, with many of them switching to Internet video exclusively.

Netflix's stock could also get a boost if the quarterly loss is smaller than anticipated and revenue tops analyst estimates.

Management's own projection in January was imprecise, leaving room for a loss of anywhere from 16 cents to 49 cents per share. Analysts polled by FactSet are predicting that Netflix will lose 27 cents per share on revenue of \$867 million.

Netflix shares closed last week at \$106.11. That leaves the stock with a 53 percent gain so far this year, but far below its peak of nearly \$305 last July around the same time the price increases were announced.

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Citation: Ahead of the Bell: Netflix to unveil 1Q results (2012, April 23) retrieved 26 April 2024 from <https://phys.org/news/2012-04-bell-netflix-unveil-1q-results.html>

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