

Comcast 2Q earnings top views on Internet hookups (Update)

July 22 2014



This Feb. 15, 2011 file photo shows Comcast installation trucks in Pittsburgh. Comcast Corp. reports quarterly financial results before the market opens Tuesday, July 22, 2014. (AP Photo/Gene J. Puskar, File)

Comcast's second-quarter net income rose 15 percent to nearly \$2 billion as it added high-speed Internet customers at a faster pace and video subscriber losses moderated.

The nation's largest cable provider topped Wall Street estimates and

shares edged up in afternoon trading.

The nation's largest cable provider said Tuesday that net income rose to \$1.99 billion, or 76 cents per share, up from \$1.73 billion, or 65 cents per share, a year ago.

Excluding a gain on its sale of a stake in set-top box maker Arris Group Inc. and other items, Comcast posted adjusted earnings of 75 cents per share, beating the 72 cents expected by analysts polled by FactSet.

Revenue grew nearly 4 percent to \$16.84 billion, short of the \$16.95 billion that analysts were looking for. Revenue a year ago was \$16.27 billion.

Jefferies & Co. analyst Mike McCormack said the quarter was healthy as cable continued to perform well and NBC Universal grew more profitable.

Cable hookup revenue, up 5 percent at \$11.03 billion, was slightly better than expected, but NBCUniversal revenue, flat at \$6.02 billion, was less than analysts predicted.

Comcast Corp. is in the midst of a regulatory review of its proposed \$45.2 billion acquisition of No. 2 cable company Time Warner Cable Inc. Comcast CEO Brian Roberts said in a call with analysts that the FCC began a 180-day review period on July 10, and the company expects to have a shareholder vote on the acquisition in the fall.

The company added a net 203,000 Internet customers since the last quarter, bringing the number to 21.3 million. That's 8 percent more than it added in the same period a year ago.

It lost 144,000 video customers, ending up with 22.5 million. The video

losses broke two quarters of gains, but the company said it was largely due to the seasonal pattern of college students leaving school and vacationers from Canada disconnecting before heading back up north. The losses were not as bad as the 162,000 it lost in the same period a year ago.

The average customer bill rose 4.5 percent to \$137.24 per month after 2 percent price hike at the beginning of the year. Customers were also adding more services and business client revenues rose.

At NBCUniversal, advertising revenue fell 2 percent to \$2.19 billion. The talent show "The Voice" aired earlier than usual in the season to benefit from following the Winter Olympics, which reduced the number of hours it was aired during the second quarter.

Film revenue fell 15 percent to \$1.18 billion, but operating profit rose compared with a year ago when it spent heavily to launch the films "Fast & Furious 6" and "Despicable Me 2."

Free cash flow at Comcast fell 41 percent to \$1.16 billion as it spent money shipping more of its latest-generation set-top boxes and prepared for a big box office year in 2015 with films like "Jurassic World," "Ted 2," and "Fifty Shades of Grey."

Comcast shares rose \$1, or 1.9 percent, to \$54.82 in afternoon trading.

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