

Comcast wins more Internet customers, ad sales up

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This Feb. 15, 2011 file photo, shows a Comcast logo on a Comcast installation truck in Pittsburgh. Comcast reports quarterly financial results on Thursday, Oct. 23, 2014. (AP Photo/Gene J. Puskar, File)

Comcast Corp.'s third-quarter net income jumped 50 percent in the third quarter, helped by a one-time tax settlement, growth in Internet subscribers and fewer defectors from its cable service.

Its shares rose more than 3 percent in afternoon trading.

Comcast is in the midst of a \$45 billion takeover of Time Warner Cable, a deal that is under regulatory review. Cable providers have been consolidating as more viewers shift to watching video on mobile tablets, computers and smartphones rather than through traditional cable TV stations. AT&T Inc. is planning to buy satellite service DirecTV for \$48.5 billion in a merger also under review. Meanwhile, channels like HBO and CBS have announced stand-alone streaming services, signaling the industry is undergoing a sea change.

The nation's largest cable provider added a net 315,000 high-speed Internet customers since the last quarter, bringing the number to 21.6 million. That's 6 percent more than it added in the same quarter a year ago. It lost 81,000 video subscribers, ending with 22.4 million. But that's the lowest third-quarter decline in seven years. In the prior-year quarter the company lost 127,000 subscribers. Comcast said the loss was due to tough competition in the sector from other cable and satellite providers.

The average customer bill edged up 4 percent to \$137.24 per month after a 2 percent price hike at the beginning of the year. Customers added more services and business client revenue rose. Cable hookup revenue, up 5 percent to \$11.04 billion, nearly matched the \$11.09 billion expected.

At Comcast's NBCUniversal division, advertising revenue rose 4 percent to \$1.15 billion, helped by high ratings for NBC shows like "The Voice," "The Blacklist," "Sunday Night Football" and news programming. Total NBCUniversal revenue rose 1 percent to \$5.92 billion, also nearly matching the \$5.94 billion analysts expected. Film revenue fell 15 percent to \$1.19 billion due to tough comparisons with last year, when the popular animated movie "Despicable Me 2" was released.

In a call with analysts, NBCUniversal CEO Steve Burke said that strong ratings will be increasingly hard to come by as more people watch TV

digitally and programmers charge cable companies more for their shows.

"The fact of the matter is the next five or 10 years in basic entertainment cable as it relates to ratings are going to be much more difficult than the last five to 10 years," he said. "And there is a side of that that is technology and there is a side of that that is a lot of new shows and the ability to have your acquired programming, your repeat programming, which many of these cable networks were built on."

Philadelphia-based Comcast said its net income rose to \$2.59 billion, or 99 cents per share. That compares with net income of \$1.73 billion, or 65 cents per share, last year. Excluding a hefty one-time tax settlement, net income totaled 73 cents per share, beating analyst expectations of 71 cents per share, according to FactSet.

Revenue rose 4 percent to \$16.79 billion from \$16.15 billion last year. Analysts expected \$16.8 billion.

Its stock was up \$1.70 to \$53.19.

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