

China search engine Baidu reports slip in Q1 profit

April 29 2015

Chinese search giant Baidu on Wednesday reported its first-quarter profit slipped, despite revenue jumping more than a third on strong use of smartphones to access the service.

Revenue for the quarter that ended on March 31 was \$2.053 billion, a 34 percent leap from the same period a year earlier, according to the Beijing-based Internet company.

But net income was \$395.1 million, down 3.4 percent year on year, earnings figures showed.

That figure still beat expectations for net income of 2.34 billion yuan (\$383 million), according to 13 analysts' estimates compiled by Bloomberg News.

Mobile revenue accounted for half the money taken in by Baidu in January-March, the company said in a statement.

"Mobile, now having reached 50 percent of top line, continued to be the main driver of revenue growth," chief executive Robin Li said in a conference call after the earnings were released.

"We see much more growth ahead from our mobile marketing platform," he said, adding its core search business was "very robust" in the first quarter.

Baidu has been pushing into providing services through the Internet, including food delivery and movie ticket booking. Last year, it invested in the ride-sharing application Uber.

The company forecast a 36.5-39.7 percent year-on-year increase in revenue in the second quarter.

"The fundamentals of our business are very strong and the growth opportunities ahead for Baidu are vast," Baidu chief financial officer Jennifer Li told analysts on the conference call.

Baidu stock closed at \$219.00, down 0.09 percent, on the Nasdaq market on Wednesday before the results were announced, but dipped more than two percent in after-market trading shortly after the release.

Baidu brings in most of its revenue from adverts served up along with search results, and has made a priority of tuning its offerings to smartphones and tablets as Chinese Internet users go increasingly mobile.

© 2015 AFP

Citation: China search engine Baidu reports slip in Q1 profit (2015, April 29) retrieved 3 May 2024 from <https://phys.org/news/2015-04-baidu-revenue-climbs-profit.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.