

Yahoo earnings beat expectations on cusp of Verizon merger

April 19 2017



Yahoo posted profit of \$99 million in the first three months of this year on revenue of \$1.3 billion, as compared to posting a loss on \$1.09 billion in revenue in the same period last year

Yahoo on Tuesday reported quarterly earnings that topped expectations as the pioneering internet firm remained on track to be bought by Verizon.

Yahoo posted profit of \$99 million in the first three months of this year on revenue of \$1.3 billion, as compared to posting a loss on \$1.09 billion in revenue in the same period last year.

The California-based company said that it was continuing to work with Verizon on integrating Yahoo's core internet operations into the US telecommunication giant.

AOL and Yahoo will be combined into a unit called "Oath" after being bought by telecom titan Verizon, according to word put out early this month by AOL chief Tim Armstrong.

A price cut early this year kept Verizon on track to consummate the purchase of Yahoo's internet business, and share the costs from a pair of epic hacks that threatened to derail the deal.

Yahoo slashed the price of its core internet business by \$350 million.

Under revised terms of the delayed deal, Verizon's purchase of Yahoo assets will total \$4.48 billion.

Yahoo announced in September that hackers in 2014 stole personal data from more than 500 million of its user accounts. And in December it admitted to another cyber attack from 2013 affecting more than a billion users.

The deal with Verizon will end Yahoo's run of more than 20 years as an independent company.

Yahoo is selling its main operating business as a way to separate that from its more valuable stake in Chinese [internet](#) giant Alibaba, which will become a new entity, to be renamed Altaba, Inc., and will act as an investment company.

Yahoo boasted having more than a billion users monthly in 2016.

Yahoo chief Marissa Mayer will quit the company's board after the merger with Verizon that creates Oath, according to an SEC filing, though she is expected to remain with the core Yahoo business.

"As we enter our final quarter as an independent company, we are committed to finishing strong and planning for the best possible integration with Verizon," Mayer said in the earnings release.

"With the transaction anticipated to complete in June, I've never been more proud of the improvements we've made to the [business](#)."

Yahoo shares remained flat at \$47.56 in after-market trades that followed release of the earnings figures after having ended the official trading day up less than half a percent.

© 2017 AFP

Citation: Yahoo earnings beat expectations on cusp of Verizon merger (2017, April 19) retrieved 18 April 2024 from <https://phys.org/news/2017-04-yahoo-cusp-verizon-merger.html>

<p>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.</p>
--