

Sky delivers profits surge awaiting takeover by Fox

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Sky-high profits for the TV giant

Sky, the pan-European TV giant, announced Thursday a 40-percent increase in first-half net profit on higher revenues, while awaiting a takeover by Rupert Murdoch's 21st Century Fox.

It comes as the pay-TV group said it would make all its channels available online, starting with customers in Italy and Austria, in a move that would see households no longer needing a satellite dish to watch all programmes.

Profit after tax climbed to £449 million (\$640 million, 515 million euros) in the six months to the end of 2017, compared with Sky's first half in 2016-17, a company statement showed.

"Despite households in all our territories facing continued pressure on discretionary spending, our customers and prospective customers value their on-screen entertainment highly," said Sky, which counts live Premier League football, blockbuster movies and 24-hour rolling news among its offering.

"This is demonstrated by today's further five percent increase in revenues, well ahead of underlying growth in consumer spending and which maintains our historic record of consistent revenue growth achieved in a variety of economic and competitive circumstances," it added.

Sky gained 365,000 new customers to 22.9 million in the reporting period, while it said it would start producing its own films.

"The group has to make ambitious plans for the future and must invest in original content to fend off rivals such as Netflix," said Helal Miah, investment research analyst at The Share Centre.

"While these are a good set of results, they are somewhat being shadowed by other news relating to the takeover saga by 21st Century Fox and Disney."

The results update comes two days after Britain's competition regulator

provisionally ruled that Sky's planned takeover was not in the public interest.

21st Century Fox has bid £11.4 billion for the 61-percent of Sky it does not already own but in Britain concerns linger over the strengthening influence of Australian-born US tycoon Murdoch.

The UK regulator on Tuesday said that the deal would hand Murdoch "too much control" over UK news—and therefore too much power in swaying public opinion.

At the same time, the Competition and Markets Authority indicated that its plurality concerns would fall away on completion of Disney's takeover of 21st Century Fox.

In a twist to the Sky saga, Disney announced in December a \$52.4-billion deal to buy 21st Century Fox.

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