

Telefonica sales hit by end of roaming charges

April 26 2018



The end of roaming charges has hit Telefonica's accounts hard

Spanish telecoms giant Telefonica saw its sales plunge in the first quarter

due to the end of roaming charges in Europe, but still posted a 7.4 percent rise in net profit.

The group's turnover dropped 7.2 percent to 12.2 billion euros (\$14.9 billion) due to the "[negative impact](#) of regulation" according to a statement, referring to the end of roaming charges in Europe in June 2017.

Without this, turnover would have risen 3.1 percent year-on-year thanks in part to the sale of handsets, the group said.

Net profit stood at 837 million euros, above [analyst expectations](#). Shares rose 1.3 percent in early morning trading.

The company said it also suffered from the depreciation of the Brazilian real and the Argentine peso—two important markets—against the euro.

But Telefonica's strategy of prioritising higher value services appeared to have borne fruit in the first quarter.

The number of clients subscribing to 4G rose by over a third year-on-year, those using faster fibre-cable for their internet increased by 20 percent and people getting [pay television](#) by five percent.

Net financial debt, the group's black cloud, dropped to 43.9 billion euros from 44.2 billion end December.

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Citation: Telefonica sales hit by end of roaming charges (2018, April 26) retrieved 27 April 2024 from <https://phys.org/news/2018-04-telefonica-sales-roaming.html>

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