

Baidu profit up 45% on growth in news app and AI push

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Chinese online search giant Baidu on Wednesday said net profit for the second quarter jumped 45 percent, fuelled by growth in its personalised news app and artificial intelligence (AI) projects.

The firm logged a net income for April-June of 6.4 billion yuan (\$967 million).

"We had another strong quarter in Q2 with search exhibiting robust revenue growth driven by AI-powered monetisation capabilities, and Baidu feed continuing strong traffic and monetisation momentum," said Robin Li, chairman and chief executive.

The Beijing-based company said its total revenues swelled 32 percent and about three-quarters of its profit came from mobile revenue.

Baidu App, which offers personalised news feeds and search, saw daily active users rise 17 percent year on year to 148 million in June.

"The mobile Baidu App shows healthy user and activation trends," CICC analyst Natalie Wu said, according to Bloomberg News. "We see still high monetisation potential for Baidu feeds in the coming six to 12 months."

Baidu has been trying to reposition itself from a heavy reliance on the search-engine business towards technologies used in AI, which China's government wants the country to become a leader in.

Baidu's AI developer conference in July showcased upgrades of Baidu Brain, the baseline for its AI services, and DuerOS, a conversational AI system, extending its efforts in AI technology developments.

"These strong results are testament of our ability to focus and execute on our strategy to solidify Baidu's mobile foundation and lead in AI," said Li.

Apollo-powered Apolong, China's first driverless minibus, reached volume production of 100 units in July. Apollo is a software platform launched in April 2017 by Baidu to help car companies develop autonomous driving systems.

Baidu has agreed to divest its financial services business, Du Xiaoman, and transactions are expected to close in the second half of 2018.

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