

Comcast loses cable users, but internet subscribers surge

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This May 21, 2018, file photo shows a sign outside the Comcast Center in Philadelphia. Comcast Corp. reports financial results Wednesday, Jan. 23, 2019. (AP Photo/Matt Rourke, File)

Comcast is still losing U.S. cable customers but is racking up more internet subscribers and has gotten a revenue boost from Sky, its big bet on European TV.

The Philadelphia company said Wednesday that it lost 29,000 U.S. cable customers in the fourth quarter but added 351,000 internet subscribers. It also gained customers in its new cellphone-plan business.

The company is dealing with a growing number of people who are cutting their cable bundles to save money, enticed by Netflix and several other companies offering cheaper streaming services.

Comcast is also looking to compete there. Its NBCUniversal division is launching a streaming service in the first half of next year, joining the crowded field competing for consumers' attention .

It plans to offer current and older seasons of the TV shows it produces and some original content, with advertising. It will be available free to anyone who pays for a traditional TV package, whether its Comcast or another cable or satellite TV company, and to Sky customers in Europe. Cord-cutters would have to pay for the service.

Walt Disney Co., which plans to launch its own service later this year, is pulling its hit movies from Netflix and using them in its own service. Comcast is not immediately likely to take its shows off other services, executives said on a conference call Wednesday.

"I think a lot is going to be on our platform, but we will continue to sell on other platforms depending on the show, depending on the prices that we can command for those products," said Steve Burke, CEO of NBCUniversal. That might change over time. "We'll go show-by-show, instance-by-instance and figure out what makes sense at the time those rights come back to us."

Comcast is also seeking growth overseas. Its Sky deal, completed in October after a dramatic tug of war with rivals Disney and 21st Century Fox, brings to Comcast TV, home internet and cellphone customers in

Europe. In that unit, revenue would have risen 2.4 percent to \$5 billion, when results are adjusted to make it as if Comcast had owned it for all of last year's fourth quarter and the year before. Without the effect of currency changes, revenue would have risen 5.6 percent.

Comcast said Wednesday that net income fell 83 percent to \$2.51 billion, or 55 cents per share, in the fourth quarter of 2018. A big tax benefit in 2017 from changes to the tax code weighed on the most recent quarter's result.

Excluding the tax changes, adjusted earnings per share were 64 cents. Analysts polled by FactSet expected 62 cents per share.

Overall revenue rose 26 percent to \$27.85 billion, getting a big bump because of the newly acquired Sky. Revenue also rose for the broadcast and cable TV networks in its NBCUniversal division, despite tepid ad-sales growth. Its movie business got a bump from "The Grinch," which came out in November.

Investors were happy with results, sending Comcast's shares up 4.8 percent to \$36.65 in afternoon trading.

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