

Comcast profit slides as pandemic hits movies, theme parks

30 April 2020, by Tali Arbel



In this Oct. 1, 2019, file photo the symbol for Comcast appears on a screen at the Nasdaq MarketSite, in New York. Comcast's net income slid in the first three months of 2020 as the coronavirus pandemic forced it to shut down its theme parks and its movies were kept out of shuttered theaters. On the cable side, the biggest source of the company's profits, Comcast lost 409,000 video customers, as cord-cutting accelerated, and added 477,000 internet customers. (AP Photo/Richard Drew, File)

Comcast's net income slid in the first three months of the year as the coronavirus pandemic forced it to shut down its theme parks and its movies were kept out of shuttered theaters.

Comcast also reported Thursday that it lost 409,000 cable TV customers, the biggest source of the company's profits, as cord-cutting accelerated. That's already more than half the 671,000 customers it lost in all of 2019.

But it added 477,000 internet customers, which it said was its best quarterly number in more than a decade. It came as U.S. workplace shutdowns began in March and a mass work-from-home migration underscored the role home internet plays

in Americans' lives.

Americans are increasingly opting for cheaper streaming video providers that are delivered over the internet, like Netflix, which both benefits and harms Comcast's business as an internet and traditional TV provider.

Competition in online video is also increasing with new entrants like Disney and Apple. Comcast's own streaming service, Peacock, will launch nationwide in July, with free and paid versions.

In the Philadelphia company's NBCUniversal arm, revenue slid 7% and a key profit measure plunged by 25% as the Universal Studios parks closed and closed movie theaters hurt box office. It is experimenting with alternatives, releasing "Trolls World Tour" digitally in April, the current quarter. Comcast said it was a success.

Analysts expect ad revenues on NBC and the company's cable channels to decline this year, especially as the Olympics, a big ratings draw, have been postponed until 2021. Ad revenue in the first quarter dipped 2.2% for cable channels and was nearly unchanged for the broadcast channels, NBC and Telemundo. But the outbreak's impact only started being felt in the U.S. at the end of the January-March period.

Comcast's European TV and broadband arm, Sky, also lost money as the virus impacted Europe earlier than in the U.S. Its revenue fell 3.7% when not counting currency conversions, and a key profit measure dropped 15.3%.

Overall, Comcast net income dropped 40% to \$2.15 billion, or 46 cents per share. Adjusted to exclude write-downs of the value of some assets, earnings dropped 6.6% to 71 cents per share, beating Wall Street's estimate of 69 cents, according to FactSet.

Revenue fell nearly 1% to \$26.61 billion, just shy of analysts' estimate of \$26.87 billion.

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