Sohu posts higher 2Q earnings, revenue

The Associated Press

Chinese Web portal Sohu.com Inc. said Monday that its second-quarter net income rose 32 percent, beating estimates, thanks to higher revenue from online advertising and games.

But the company's earnings outlook for the current quarter fell below Wall Street's expectations and shares retreated in midday trading.

The company earned $44.3 million, or $1.10 per share, up from $33.5 million, or 82 cents per share, in the same period a year earlier. Adjusted earnings were $1.21 per share in the latest quarter.

Revenue rose 36 percent to $198.7 million from $146.1 million.

Excluding items, analysts were expecting earnings of $1.17 per share on revenue of $189.4 million, according to a FactSet survey.

Sohu said its online brand advertising revenue grew 27 percent during the quarter to $67.7 million. Online game revenue jumped 31 percent to $101.5 million.

The company said it saw strong advertising demand from the Internet sector during the quarter, including from e-commerce companies.

For the current quarter, Sohu expects adjusted earnings of $1.20 to $1.25 per share on revenue of $225 million to $230 million.

On that basis, analysts are expecting earnings of $1.31 per share on revenue of $209.2 million.

Shares fell $8.85, or 9.8 percent, to $81.25 in midday trading. The stock has traded between $45.81 and $109.37 in the past 52 weeks.

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