

# Axel Springer continues to reap rewards from going digital

FRANKFURT, Germany - German media group Axel Springer said on Wednesday its digital publishing investments were continuing to pay off, driving up revenue and profits in the first quarter and putting it on target to meet its forecasts for the full year.

Axel Springer said in a statement that it booked adjusted net profit of 78.1 million euros (\$85 million) between January and March, almost 20 percent more than in the same period last year.

Operating, or underlying profit stood at 147.2 million euros, up 16.9 percent, on the back of a 6.7-percent increase in revenues to 836.2 million euros.

"Significant investments in growth areas in recent years contributed to the good start in 2017," said chief executive Mathias Doepfner, pointing to the group's specialist classified advertising sites and online news media such as *Business Insider*, acquired in 2015.

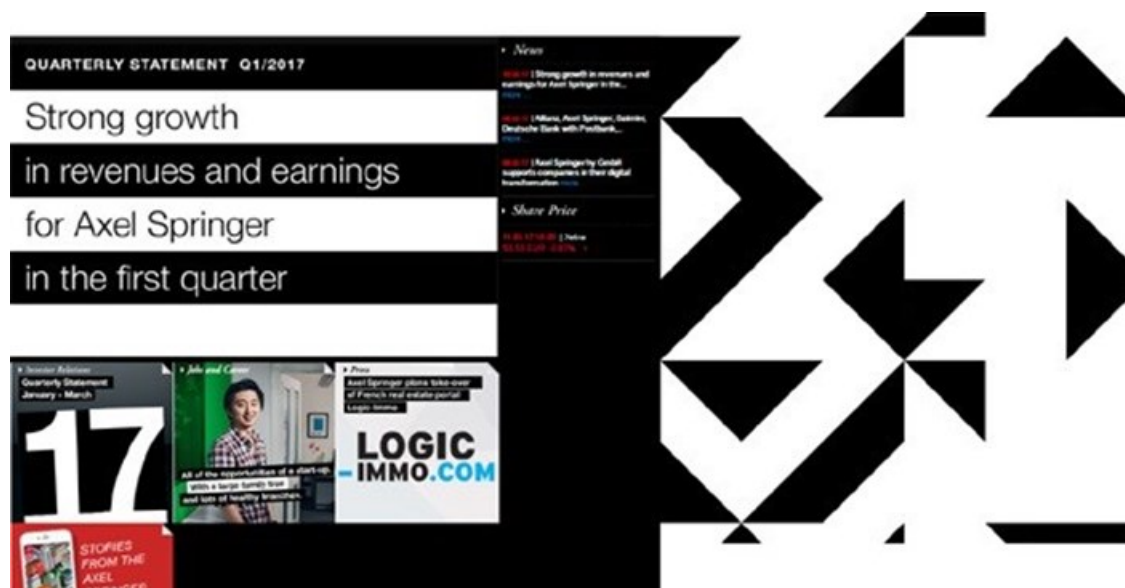


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Digital publishing made up 72 percent of Springer's revenue and 80 percent of its operating profit in the first three months, the group said.

Founded just after World War II by journalist Axel Springer, the Berlin-based group is best known as the publisher of conservative broadsheet *Die Welt* and raucous, tabloid-style *Bild*, Germany's biggest-selling newspaper.

But it was one of the first German publishing houses to go all-in on digital media, selling off some print titles, offering online subscriptions to its existing outlets and buying up web-only publications.

"Axel Springer is further driving migration towards digital business models with above average margins. We expect further solid organic and external growth," commented analyst Harald Heider of DZ Bank.

Looking ahead to the full year, Springer confirmed its forecast of a revenue increase "in the mid single-digit percentage range", while operating profit and adjusted earnings per share are set to rise in the "mid-to-high single-digit percentage range".

Shares in the publisher were trading at 53.83 euros (\$58.55) around 1220 GMT in Frankfurt Wednesday, up 0.1 percent on the day, while the DAX index of leading German shares was down very slightly.

*Source: AFP*

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