Has Disney put the worst of the pandemic behind it?

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(Reuters) - Walt Disney Co's DIS.N rapidly growing streaming video business and a partial recovery at its theme parks gave investors fresh hope on Thursday that the entertainment company had made it through the worst of the coronavirus pandemic.

FILE PHOTO: The entrance to Walt Disney studios is seen in Burbank, California, U.S. August 6, 2018. REUTERS/Lucy Nicholson

After Disney reported quarterly earnings, its shares jumped 5.6% to $143.12 in after-hours trading.

Overall revenue fell 23% to $14.71 billion (£11.22 billion) in the quarter, above analysts' average estimate of about $14.2 billion.

Disney's adjusted loss per share, excluding one-time items, of 20 cents, also beat Wall Street expectations of a more drastic 70 cents per share loss.

While the coronavirus pandemic clobbered the company's theme parks and movie studio, the focus on streaming was well timed to consumers stuck at home, and Disney managed its sparsely attended theme parks with smaller losses than analysts expected.

"Disney will emerge stronger from this crisis," said Haris Anwar, senior analyst at Investing.com.

One year after it launched the Disney+ online subscription to compete with Netflix Inc NFLX.O, Disney said the service had signed up 73.7 million subscribers. Hulu had 36.6 million customers and ESPN+ had 10.3 million.

"We are going to continue to ramp up our investment" in streaming, Chief Executive Bob Chapek said on a conference call.

For the just-ended quarter, the streaming division lost $580 million, less than the $1.0 billion that analysts expected. Anwar predicted it would turn a profit ahead of 2024, when the company forecast.

Disney+ faces a test, however, as a one-year free trial offer for Verizon Communications Inc VZ.N customers expired on Thursday. Disney aims to gain new signups with a "Star Wars" Lego holiday special this month, Pixar movie "Soul" at Christmas, and Marvel series "WandaVision" in January.

VIRUS HURTS MOVIE AND CRUISE BUSINESSES

The coronavrius outbreak forced the company to close theme parks, suspend cruises and delay movie releases. Disney said the pandemic reduced profit at its parks unit by $2.4 billion.

"Even with the disruption caused by COVID-19, we've been able to effectively manage our businesses while also taking bold, deliberate steps to position our company for greater long-term growth," Chapek said in a statement.

The parks have started to welcome back visitors, though a rise in cases in Europe and the United States threatens that progress.

During the quarter, most of Disney's theme parks, including its flagship resort in Florida, had reopened but with limited attendance, mask requirements and other safeguards. The parks and consumer products business lost $1.1 billion in operating income, less than analysts expected.

Disneyland in California has been shut since March, and Disneyland Paris was forced to close for a second time in October as virus cases spiked in France. The prospect of a coronavirus vaccine in 2021 could be crucial to the parks.

Even with a vaccine, "it's still likely to take months and possibly years before business is back to where it once was," Hargreaves Lansdown analyst Nicholas Hyett said.

Chapek said Florida's Walt Disney World had reduced the number of people who can visit to 35% of normal capacity. Thanksgiving week is close to fully reserved, he said.

The company also is seeing "very, very strong" demand for cruise ship bookings in the second half of fiscal 2021 and all of fiscal 2022, Chapek said.

At the media networks segment, the resumption of major sports helped boost ESPN. The unit reported $1.9 billion in operating income, up 5% from a year earlier.

Movie studio profit slumped 61% to $419 million, as the company delayed major films until 2021 and many theaters remained closed.

Disney said it will forgo its semi-annual dividend for the second half of fiscal 2020 to finance its streaming business.

Reporting by Akanksha Rana in Bengaluru and Lisa Richwine in Los Angeles; Editing by Arun Koyyur and Cynthia Osterman