

EBay 1st-qtr profit, sales fall on weak economy

April 22 2009, By RACHEL METZ , AP Technology Writer

(AP) -- EBay Inc. said Wednesday the weak economy contributed to declines in both earnings and revenue for the second consecutive quarter, but the online marketplace operator beat analysts' expectations.

The [first-quarter](#) results helped [eBay](#) shares shoot up \$1.03, or 6.9 percent, in after-hours trading, after rising 49 cents, or 3.4 percent, to finish regular trading at \$14.78.

They show the San Jose, Calif.-based company still struggling, though - both with the [recession](#) and its efforts to improve its online marketplace.

EBay earned \$357.1 million, or 28 cents per share, in the first quarter, down 22 percent from \$459.7 million, or 34 cents per share, in the year-ago period.

When excluding items, eBay said it earned 39 cents per share; analysts polled by Thomson Reuters expected 33 cents per share.

Revenue fell 8 percent to \$2.02 billion, just above analysts expectations of \$1.94 billion.

Revenue from eBay's marketplaces segment - which includes eBay itself and e-commerce sites such as StubHub and Shopping.com - fell almost 18 percent to \$1.22 billion. The company blamed the drop on the difficult economy and the strengthened dollar. EBay got about 54 percent of its marketplaces revenue from outside the United States, and

deals done in other currencies translate into fewer dollars when the dollar is strong.

For eBay's payments segment, which is the second-largest business behind marketplaces and includes online [payments service PayPal](#), revenue climbed nearly 11 percent to \$643 million.

The company's number of active [marketplace](#) users grew 2 percent to 88.3 million in a sign of the company's success in attracting new buyers and sellers.

But eBay's gross merchandise volume - a key metric that measures the total amount of money that flows from transactions on the site, excluding those involving vehicles - fell 16 percent to \$10.8 billion. This metric also declined in the previous quarter.

As in the previous quarter, 51 percent of the eBay's gross merchandise volume came from auctions in the first three months of 2009. The remainder came from sale of products at fixed prices.

For the current quarter ending in June, [eBay](#) expects a profit of 23 cents to 26 cents per share, or 34 cents to 36 cents per share when excluding items. The company is also expecting revenue of \$1.85 billion to \$2.05 billion. Analysts' expectations were within that range - adjusted earnings of 35 cents per share on \$1.98 billion in revenue.

©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: EBay 1st-qtr profit, sales fall on weak economy (2009, April 22) retrieved 20 March 2024 from <https://phys.org/news/2009-04-ebay-1st-qtr-profit-sales-fall.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.