

# LinkedIn looking for \$32 to \$35 per share in IPO

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In this Jan. 28, 2011 file photo, the exterior view of LinkedIn headquarters is shown in Mountain View, Calif. Professional networking website LinkedIn Corp. plans to sell shares to investors for \$32 to \$35 each in an initial public offering, one of the first for a major U.S. social networking site. (AP Photo/Paul Sakuma, file)

(AP) -- Professional networking website LinkedIn Corp. hopes to sell its stock for \$32 to \$35 per share in an upcoming initial public offering. Its IPO may encourage other growing Internet services to make their stock market debuts during the next year.

The price target, set in a filing Monday with the Securities and Exchange Commission, signals that LinkedIn is nearly ready to complete its IPO. The shares are expected to be sold May 18, according to IPO analyst Scott Sweet. The stock would then begin trading under the ticker symbol

of "LNKD" on the New York Stock Exchange.

The company's debut could offer a preview of investor demand for other popular online services that connect people with common interests. Although they haven't set timetables, Facebook, Twitter, the online deals site Groupon and the game maker Zynga are among the other social-networking services expected to go public.

With more than 500 million users, Facebook is considered to the hottest commodity of them all. The 7-year-old company's market value has been pegged at \$50 billion, based on a private investment in January.

The company said the offering could raise up to \$274 million, including the cash that would go existing shareholders who are selling part of their stakes in the IPO. Based on the IPO's price targets, LinkedIn would have a market value of \$3 billion to \$3.3 billion.

Former PayPal executive Reid Hoffman founded LinkedIn eight years ago. Now a venture capitalist, Hoffman remains LinkedIn's chairman and largest shareholder with a projected post-IPO stake worth \$600 million to \$665 million.

LinkedIn's stock offering is expected to attract a lot of attention because it revolves around a well-known Internet brand with more than 100 million registered members.

Most of LinkedIn's revenue comes from fees it charges for recruiters and businesses that want expanded access to LinkedIn's website to help fill job openings. The company also sells online ads.

Last year, LinkedIn had net income of \$3.4 million on revenue of \$243 million. Its revenue totaled \$94 million during the first three months of this year, more than doubling from the same period last year.

LinkedIn will offer 4.8 million shares. The company's current stockholders, including Hoffman, Bain Capital, Goldman Sachs and publishing company McGraw-Hill, will sell 3 million shares.

The company, which is based in Mountain View, Calif., said there will be 94.5 million common shares outstanding after the IPO.

After paying investment banking fees and other expenses, LinkedIn estimated it will collect nearly \$147 million from the IPO at the mid-range target price of \$33.50. LinkedIn plans to use the money for operations and possibly to buy other companies.

Morgan Stanley, BofA Merrill Lynch and J.P. Morgan are managing the offering.

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