

LinkedIn's 4Q revenue doubles, stock soars 8 pct

February 9 2012, By MICHAEL LIEDTKE , AP Technology Writer



In this May 19, 2011 file photo, the LinkedIn logo is displayed in the foyer at headquarters in Mountain View, Calif. LinkedIn Corp., releases quarterly financial results Thursday, Feb. 9, 2012, after the market close. (AP Photo/Paul Sakuma, File)

(AP) -- LinkedIn provided further evidence of online networking's popularity and moneymaking potential with a fourth-quarter performance that got a glowing review on Wall Street.

The results announced Thursday indicate LinkedIn Corp. is playing an increasingly influential role in the employment market as millions more people post their resumes there. The professional-networking service has been turning into a digital rolodex for headhunters and job seekers alike.

LinkedIn added another 14 million profiles during the final three months of last year to bring its total membership to 145 million. Meanwhile,

more companies have been paying to get additional access to LinkedIn's membership as the U.S. economy has been steadily adding jobs in recent months.

LinkedIn gets more than two-thirds of its revenue from fees it charges companies, recruiting services and other people who want broader access to the profiles and other data on the company's website. The rest comes from advertising.

The trends helped LinkedIn fare far better than the company's own management and analysts had predicted. The pleasant surprise came a day after online coupon distributor Groupon Inc. raised investor doubts about young, rapidly growing Internet companies by announcing an unexpected fourth-quarter loss.

LinkedIn's numbers seemed to lift spirits; the company's stock surged more than 8 percent late Thursday.

The ebullient reaction may bode well for an upcoming IPO from Facebook Inc., which has built an online network of 845 million users by focusing on family and friendships instead of career advancement. Facebook filed papers last week for an initial public offering of stock. It's expected to be completed in May or June. The IPO is expected to value Facebook at \$75 billion to \$100 billion.

LinkedIn, which is based in Mountain View, Calif., has emerged as one of the stars from last year's crop of Internet IPOs. During the first nine months of trading, its stock has remained well above its IPO price of \$45 and is moving upward again. The stock rose \$6.44, or 8.4 percent, to \$82.83 in extended trading Thursday after the release of results.

LinkedIn earned \$6.9 million, or 6 cents per share, during the final three months of last year. In 2010, the company had income of \$1.6 million,

or 3 cents per share. It's not directly comparable because LinkedIn's outstanding shares have ballooned since its IPO in May. Before figuring the net income credited to shareholders, LinkedIn's net income for the latest quarter increased 30 percent from \$5.3 million

If not for certain accounting items unrelated to its ongoing business, LinkedIn said it would have earned 12 cents in the fourth quarter. That figure topped the average estimate of 7 cents per share among analysts polled by FactSet.

Revenue more than doubled from the previous year to nearly \$168 million - about \$8 million above analyst estimates.

Management's projections for the first quarter and full year also called for revenue above analyst forecasts.

©2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: LinkedIn's 4Q revenue doubles, stock soars 8 pct (2012, February 9) retrieved 17 July 2024 from <https://phys.org/news/2012-02-linkedin-4q-strong-revenue.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.