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Yelp looking for $12 to $14 per share in IPO

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Yelp on Thursday told US regulators that it aims to raise about $115 million in a March stock market debut by pricing its initial shares somewhere between $12 and $14.

(AP) -- Online review service Yelp rated its own business Thursday, setting an IPO target of $12 to $14 per share that could value the 7-year-old company as high as $840 million.

The setting of a price range signals Yelp is close to completing its initial public offering of stock. The process began three months ago when Yelp filed its plans to go public.

Although Thursday's filing didn't lay out a timetable, IPO pricings typically occur two to three weeks after the selling company spells out how much it wants for its stock. Yelp's shares will trade on the New York Stock Exchange under the ticker symbol, "YELP."

The company, which is based in San Francisco, plans to sell 7.1 million shares while its charitable foundation will sell 50,000 shares. Investment bankers also have an option sell an additional 1.07 million shares, depending on investor demand.

At $14 per share, the IPO could raise as much as $115 million, before expenses.

Yelp Inc. could still end up getting more or less money in the IPO, depending on investor demand.

The interest in the IPOs of Internet companies with large audiences has been running hot and cold since professional networking service LinkedIn Corp. made its stock market debut nine months ago. LinkedIn has proven to be one of the top-performing Internet IPOs so far while others from Internet radio service Pandora Media Inc., online deal site Groupon Inc. and Web game maker Zynga Inc. have been greeted with less enthusiasm.

One of Yelp's online review rivals, Angie's List Inc., has seen its stock gain 19 percent since its IPO was priced at $13 per share in November. Angie's shares closed Thursday at $15.41, giving that company a market value of $757 million.

Yelp will be coming to market amid feverish anticipation for Facebook's IPO. The Internet social network filed its IPO papers at the beginning of this month, putting it on track to price its stock in May or June. Facebook Inc. is expected to be valued at $75 billion to $100 billion.

Yelp's more modestly sized IPO reflects the much smaller numbers underlying its business, although its review site is a popular destination for getting recommendations on everything from churches to strip clubs.

By the end of the last year, Yelp had stockpiled more than 25 million reviews and was attracting about 66 million visitors to its website. But Yelp's financial numbers haven't been as impressive so far. It has suffered losses totaling $41 million since its inception, including a setback of nearly $17 million on $83 million on revenue last year.

Nevertheless, Yelp's popularity attracted the attention of Internet search leader Google Inc., which offered about $500 million to buy Yelp in late 2009 only to be rebuffed, according to media reports. Since then, Google has introduced and acquired competing services that are frequently prominently displayed in its search results. That practice has provoked complaints from Yelp CEO Jeremy Stoppelman, who joined a chorus of Google rivals who contend Google is abusing its dominance of Internet search to stifle competition in other areas of electronic commerce.

Stoppelman, 34, is in line to be one of the biggest winners in the IPO. His 11 percent stake in Yelp would be worth about $83 million at $14 per share. He already made $15 million by selling some of the company's stock to venture capital firm Elevation Partners in 2010. Yelp Chairman Max Levchin also made the same amount by selling some of his stock to Elevation Partners. Levchin retain a 13 percent stake that would be worth about $100 million at $14 per share.

When it last granted stock options in December, Yelp appraised the value of its stock at $11.40 per share.