

Groupon reports smaller 1Q loss, higher revenue

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FILE - In this Sept. 22, 2011 file photo, employees at Groupon Inc. pose in silhouette with the company logo in the lobby of the online coupon company's Chicago offices. Groupon will report quarterly financial results after the market closes, Monday May 14, 2012. (AP Photo/Charles Rex Arbogast, File)

(AP) -- Online deals company Groupon Inc. posted a smaller net loss and sharply higher revenue in the first quarter, helped by increased demand from a growing customer base.

Its revenue surpassed Wall Street's expectations and Groupon's stock shot up 17 percent in after-hours trading. It was a welcome reprieve for the newly public company that's seen its stock battered following a series of missteps with its finances.

Groupon said Monday that its net loss was \$11.7 million, or 2 cents per

share, in the January-March period. It had posted a loss of \$146.5 million, or 48 cents per share, in the first quarter of 2011 when it was still privately held.

Excluding special items, Groupon earned 2 cents per share in the latest quarter, matching Wall Street's [estimates](#).

Revenue grew 89 percent to \$559.3 million from \$295.5 million a year earlier.

Analysts, on average revenue of \$530.5 million, according to a poll by FactSet.

"We are pleased to report a record quarter that demonstrates our progress in unlocking the opportunity in local commerce for [merchants](#) and customers worldwide," said [CEO](#) Andrew Mason in a statement.

Chicago-based Groupon went public in November, pricing its stock at \$20 per share. Since February, though, the shares have declined steadily.

In March, the company restated its quarterly financial results, explaining that it lost more than it initially reported because it had to pay out more refunds than expected. Earlier this month, it replaced two of its [board members](#) to add executives with more accounting experience.

Groupon ended the quarter with 36.9 million active customers, up from 15.4 million at the end of the prior-year's first quarter. Often criticized for its spending to acquire new subscribers, Groupon said it added roughly the same number of customers as it did in the [fourth quarter](#) but spent 25 percent less on marketing.

[First-quarter](#) marketing costs fell 49 percent to \$116.6 million from \$230.1 million in the same 2011 period.

For the current quarter, Groupon forecast revenue of between \$550 million and \$590 million. Analysts are forecasting second-quarter revenue of \$560.3 million.

Its stock rose \$1.97 to \$13.70 in after-hours trading on Monday.

Investors appeared to have been anticipating upbeat news from the earnings report, which came out after the close of trading on [Wall Street](#). Groupon's stock gained \$1.84, or 18.5 percent, to \$11.74 in the regular session.

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