

Groupon shares soar ahead of earnings report

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Groupon Inc.'s shares soared in trading Monday ahead of the online deals company's first-quarter financial report, which comes out after the market closes.

Investors are hoping that the company has learned its lesson from a series of missteps since it went public in November. Its stock had lost half of its value since then through Friday's close, and investors may think the shares are now worth a bet as one of the biggest names in online [coupons](#).

Benchmark analyst Clayton Moran said that the company's stock is still is quite volatile.

Analysts polled by FactSet expect the company will earn 2 cents per share for the January-March quarter, excluding costs of paying employees in stock and one-time items, on revenue of \$530.5 million.

Groupon, which sells deals on everything from dinner out to laser eye surgery, has forecast revenue in the range of \$510 million to \$550 million for the period.

That's about 8 percent revenue growth from the [fourth quarter](#). For every quarter of 2011, revenue grew by a double-digit from the preceding three months.

The company also had to restate its fourth-quarter results in March to

increase the amount of money it sets aside for refunds, which raised concerns that it might not have the controls in place to monitor itself.

Groupon has since replaced two [board members](#) with leaders with more accounting experience. And [CEO](#) Andrew Mason wrote an open letter to shareholders earlier this month acknowledging the rocky start.

He reminded investors that he had warned them in the company's [IPO](#) documents that the road might be bumpy given Groupon's "unprecedented" growth.

The company has also struggled with intense competition from other daily deal sites

Shares priced at \$20 in the November IPO. They closed at \$9.90 Friday, off by more than half. But shares added \$1.85, or 19 percent, to \$11.75 in afternoon trading Monday.

The company's total value remains high compared to its low [stock price](#) and it still has [revenue](#) growth opportunities, plus management appears to have put more modest expectations in place, Moran said. But he warned that Groupon is still a risky investor bet as much of its focus is on business in Europe and it is still a young and unproven company.

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