

Deals firm Living Social says no plans for IPO

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Living Social, the number two US online deals firm, indicated Wednesday it had no immediate plans for an initial public offering, saying it had sufficient funds to expand its operations.

Chief executive Tim O'Shaughnessy told a small group of journalists at the firm's Washington headquarters that he was not contemplating an IPO.

"I don't talk about it in any significant way," he said. "If the pros outweigh the cons, we would do it."

O'Shaughnessy made no specific reference to the IPO of Facebook, which has dampened enthusiasm about social media, or of its chief rival Groupon, which has tumbled since it went public a year ago.

But executives said the company, which launched as a Facebook app in 2007, was expanding its [workforce](#) of 5,000 and now had 67 million members in 20 countries.

Living Social cited research reports that it has 26 percent of the North American online deals market, to 61 percent for Groupon, but that a lot of the smaller players are leaving the market.

O'Shaughnessy said Living Social was moving away from the model of a pure coupon or deals firm, and launching its own events such as cooking classes, yoga demonstrations and its own travel service.

It current gets 75 percent of revenue from so-called daily deals, such as discounted [restaurant meals](#) or spa services.

"But daily deals will probably be less than 50 percent of our revenue in a foreseeable time," the CEO said.

[Chief financial officer](#) John Bax said the company, which has raised some \$600 million in [venture capital](#) and has a 29 percent stake owned by Amazon, did not need new capital "the way we have the business configured today."

Bax also said the company was not looking at becoming an acquisition target.

"This is a healthy business, this is a healthy industry," Bax told the media event.

"There are people who have had doubts, there are people who are rooting against this industry, maybe not because of us... But this is a healthy business that will be viable for a long time."

Sentiment in the sector has been depressed by the disappointing [Facebook IPO](#) and woes from Groupon, which has been dogged by questions about its business model and accounting methods.

According to data released in Amazon securities filings, Living Social showed a net profit of \$156 million in the first quarter of 2012 after a loss in 2011, but Living Social cautioned that the numbers may be skewed by exceptional events and stock compensation.

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