

LinkedIn 3Q results sail past expectations

November 1 2012, by Barbara Ortutay

LinkedIn Corp. outpaced Wall Street's expectations with its third-quarter results, solidifying its status as an investor favorite at a time when other Internet companies have fallen from grace.

The professional networking company booked a profit in the third quarter, reversing a loss in the same period a year ago as revenue grew at a faster pace than analysts expected. Its stock climbed \$6.40, or 6 percent, to \$113.25 in after-hours trading, after closing down 8 cents to \$106.85 at the end of regular trading.

Embraced by investors, LinkedIn has been an exception among Internet companies that have gone public in recent years. Others, such as Facebook Inc., online deals site Groupon Inc. and game company Zynga Inc. are all trading well below their initial public offering price. LinkedIn's stock price, meanwhile, has more than doubled since its May 2011 IPO .

LinkedIn said Thursday that it earned \$2.3 million, or 2 cents per share, in the July-September period. That's up from a loss of \$1.9 million, or 2 cents per share, a year ago.

Adjusted earnings were \$25.1 million, or 22 cents per share, in the latest quarter, double what analysts expected.

Revenue grew 81 percent to \$252 million from \$139.5 million. Analysts surveyed by FactSet expected revenue of \$244.6 million. The company gets about two-thirds of revenue from the various fees it charges to mine

the profiles and other data on its website, the rest come from advertising. It saw increases in all areas.

"The last few months mark the most significant period of product development in the company's history," said CEO Jeff Weiner in a statement. "This accelerated pace of innovation is fundamental to our goal of driving greater engagement on the LinkedIn platform."

The company has been rolling out new features and more applications for smartphones and tablets. The additions are designed to get users to visit its site—and stick around longer—even when they are not looking for a job.

For the current quarter, LinkedIn is forecasting revenue of \$270 million to \$275 million, which brackets analysts' expectations of \$272.9 million.

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Citation: LinkedIn 3Q results sail past expectations (2012, November 1) retrieved 2 May 2024 from <https://phys.org/news/2012-11-linkedin-3q-results.html>

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