

EBay CEO cites 'uncertainty' for weak 4Q outlook

October 17 2013, by Ryan Nakashima

EBay said the growth rate of e-commerce in the United States is slowing as it delivered a weaker than expected profit and revenue outlook for the current quarter through December. The company's third-quarter earnings edged past analysts' expectations, but revenue rose just short of estimates.

Following the release of the financial results Wednesday, EBay Inc.'s stock fell 4.9 percent to \$50.90 in after-hours trading.

The San Jose, California-based [company](#) said U.S. e-commerce had been growing at an annual 15.5 to 16 percent pace, but it slowed to around 13 percent by the July-September quarter. That softening, plus a weaker U.S. dollar affecting its overseas transactions, led the company to say its annual profit and revenue would come in at the low range of its outlook.

EBay Inc. CEO John Donahoe suggested that the 16-day partial U.S. government shutdown was partly to blame, citing "uncertainty about the government."

"Those uncertainties, frankly, we can't control," he told [analysts](#) on a conference call.

EBay's forecast for the current quarter through December predicts adjusted earnings of 79 cents to 81 cents per [share](#), below the 83 cents analysts were looking for. The company also said it expects quarterly revenue of \$4.5 billion to \$4.6 billion, while analysts were estimating

revenue of \$4.64 billion.

Its annual outlook for adjusted earnings between \$2.70 and \$2.75 per share and [revenue](#) of \$16 billion to \$16.5 billion was unchanged.

For the quarter through September, eBay's net income grew 15 percent to \$689 million, or 53 cents per share, from \$597 million, or 45 cents per share, a year ago.

Revenue rose 14 percent to \$3.89 billion, thanks to increasing mobile transactions in its online marketplaces eBay and StubHub. It also cited growth in the number of people using its PayPal payments processor. Revenue was slightly below the \$3.91 billion analysts were looking for.

Excluding special items, adjusted [earnings](#) came to 64 cents per share, a penny better than expected by analysts polled by FactSet.

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