

# Earnings preview: EBay 3Q profit, sales seen up

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Online auctioneer eBay Inc. is expected to post higher revenue and earnings in the quarter through September thanks to higher transaction revenue from its websites and greater use of its payments processor PayPal.

**WHAT TO LOOK FOR:** Revenue from marketplaces eBay and StubHub is expected to grow about 10 percent in the quarter through September as upbeat performance domestically is expected to compensate for weakness overseas, said Benchmark analyst Daniel Kurnos in a research note. A recovery in demand from the U.K., Germany or South Korea could bolster results, he said.

Investors will also focus on eBay's outlook for the holiday quarter through December. Kurnos said he's looking for 10 percent revenue growth in its marketplaces business.

The company also announced last month that it would close on its \$800 million acquisition of payments processor Braintree by the end of the year. Analysts will be watching for further commentary about Braintree's business.

**WHY IT MATTERS:** Ebay is one of the top e-commerce sites in the world and PayPal is a large and growing payments processor. Its results reflect consumer sentiment globally as it generates more than half of its revenue outside the U.S. About two-thirds of the value of transactions it handles from its websites are fixed-price, making the auction site a

competitor to Amazon.com Inc. and Wal-Mart Stores Inc.

WHAT'S EXPECTED: Analysts polled by FactSet expect eBay to post adjusted [earnings](#) of 63 cents per share on revenue of \$3.91 billion.

LAST YEAR'S QUARTER: Ebay posted adjusted earnings of 55 cents per share on [revenue](#) of \$3.40 billion.

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