

Yahoo CEO to give birth to twins while tackling turnaround (Update)

1 September 2015, by Michael Liedtke



In this Wednesday, Jan. 22, 2014, file photo, Yahoo CEO Marissa Mayer smiles during a session at the World Economic Forum in Davos, Switzerland. Mayer posted on Tumblr, Monday, Aug. 31, 2015, that she's pregnant with twin girls, due in December. (AP Photo/Michel Euler, File)

Yahoo CEO Marissa Mayer is going to give birth to twins while trying to deliver a long-promised turnaround at the struggling Internet company.

The identical twin girls are expected to be born in December, according to an announcement Mayer posted on her blog late Monday.

As she did after having a son nearly three years ago, Mayer plans to take a brief break from her Yahoo job instead of taking full advantage of a company benefit providing 16 weeks of paid leave for mothers.

The circumstances around Mayer's pregnancy this time are much different than her first one.

Mayer, 40, had only been at Yahoo for a few months back then, and there were still high hopes

that she would be able to revive Yahoo's revenue growth. The confidence stemmed from her past experience as a long-time Google executive who helped build that company into a powerhouse.

Now, there are doubts looming over Mayer. The reason: Yahoo's ad sales have barely budged since her arrival, even though marketers have been steadily increasing the amount of money they are spending on the Internet. Most of those dollars, though, have been flowing to Google and Facebook.

"It has to be frustrating if you are an investor, and it's not about the kid she had before or the kids that are coming," said Rosenblatt Securities analyst Martin Pyykkonen. "It's because she hasn't managed the advertising business very well."

As she has done throughout her reign, Mayer reiterated she believes Yahoo is on the comeback trail in a post on Tumblr—a blogging service that Yahoo acquired for \$1.1 billion in 2013.

"I'm extremely energized by and dedicated to both my family and Yahoo and will do all that is necessary and more to help both thrive," Mayer wrote. "The future looks extremely bright on both fronts."

The second-guessing about Mayer and the direction she has steered the company has contributed to a 37 percent decline in Yahoo's stock price so far this year. The shares closed at \$31.60 Tuesday.

The price has still more than doubled under Mayer, but that gain has been almost entirely driven by Yahoo's large stake in one of China's hottest Internet companies, Alibaba Group.

Yahoo hopes to spin off all 384 million of its Alibaba shares into a separate company called Aabaco to dramatically reduce the taxes due on an investment

currently worth about \$25 billion. The Internal Revenue Service still must approve the maneuver.

The spinoff is expected to be completed toward the end of the year, which means it could happen right around the time that Mayer is giving birth.

After the stake in Alibaba is jettisoned from Yahoo's investment portfolio, analysts believe Mayer will be under greater pressure to boost the company's revenue or face shareholder unrest.

When Mayer took just two weeks off from Yahoo after the birth of her son, her decision was derided by critics who said that it set unfair expectations for other working mothers and sent the wrong message about family priorities.

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