

LinkedIn's 3Q results top analyst views, propelling stock

October 29 2015, by Michael Liedtke



In this Nov. 6, 2014, file photo, a LinkedIn employee walks past a company logo at the company's headquarters in Mountain View, Calif. LinkedIn reports quarterly financial results on Thursday, Oct. 29, 2015. (AP Photo/Marcio Jose Sanchez, File)

LinkedIn is behaving like an extremely productive worker who always seems to get the job done while still yearning to be more like flashier peers.

The professional networking service delivered another outstanding performance in the third quarter, lifting its stock by almost 12 percent in extended trading after the numbers were released Thursday.

LinkedIn has been a Wall Street star since its stock debuted in May 2011, its service establishing itself as a digital rolodex for ambitious workers and talent-hungry employers.

The formula has enabled LinkedIn to expand its audience and boost its revenue at a clip that has increased the company's market value by five-fold since the [initial public offering](#).

True to form, LinkedIn's results for the three months ending in September exceeded the projections that steer investors' perceptions. The company's revenue forecast fell within the range of analysts' predictions, a conservative habit that LinkedIn has adopted in an apparent attempt to make it easier to deliver pleasant surprise.

LinkedIn's revenue for the latest quarter rose 37 percent from last year to \$780 million. That topped the estimate of \$757 million among analysts surveyed by Zacks Investment Research.

The Mountain View, California, company lost \$40.5 million, or 31 cents per share, widening from a setback of \$4.3 million, or 3 cents per share, at the same time last year.

If not expenses for employees' stock compensations and accounting costs for past acquisitions, LinkedIn said it would have earned 78 cents per share. That figure easily surpassed analysts' estimates of 47 cents per share.

The service ended September with 396 million accountholders, a gain of 16 million since June. LinkedIn CEO Jeff Weiner said the network

topped the 400 million mark this month.

"LinkedIn's value proposition is simple—connect to opportunity," Weiner said.

For all its success, LinkedIn has had trouble getting its accountholders to visit its service as frequently and stick around for as long as people do at Facebook's social networking site or even other popular communications channels such as Pinterest.

That shortcoming has prompted LinkedIn to add more content offering professional advice and to tinker with its mobile applications in an attempt to make its service even more compelling. By luring in more people for longer periods, LinkedIn hopes to boost its ad revenue, which doesn't bring in as much money as the fees that LinkedIn collects from employers, headhunters and job seekers for additional privileges and analysis.

Those efforts so far have only been modestly successful.

Most investors, though, apparently will be satisfied if LinkedIn just keeps doing what it does best as a conduit for workers and employers. LinkedIn's stock surged \$26 to \$243 in extended trading. If the shares mirror that gain in Friday's regular session, the stock will have gained about 6 percent so far this year.

© 2015 The Associated Press. All rights reserved.

Citation: LinkedIn's 3Q results top analyst views, propelling stock (2015, October 29) retrieved 20 September 2024 from <https://phys.org/news/2015-10-linkedin-3q-results-analyst-views.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is

| provided for information purposes only.