ServiceSource reports 3Q loss

The Associated Press

ServiceSource's shares fell in after-hours trading Monday after the software company posted a loss for its third quarter and issued a weak forecast.

The San Francisco-based company, which provides service revenue management software, reported a net loss of $3.6 million, or 5 cents per share, for the period that ended Sept. 30. That's compared with a net loss of $2.8 million, or 4 cents per share, in the same period last year. After adjusting for stock-based compensation and other special items, it earned 2 cents per share versus 1 cent per share.

Revenue increased 18 percent to $59.1 million.

Analysts polled by FactSet were expecting the company to post a loss of 1 cent per share on an adjusted basis on revenue of $58.9 million.

ServiceSource International Inc.'s chief financial officer, David Oppenheimer, said that the company is encouraged by the success of some of its efforts to grow the business but said weak economic conditions and the timing of some contracts could hurt its revenue.

The company now expects to post a loss of 1 to 2 cents per share for the fourth quarter on an adjusted basis with revenue in the range of $62 million to $64 million. Analysts were expecting earnings of 4 cents per share on revenue of $72.2 million.

For the full year, it said it expects to earn 6 to 8 cents per share on an adjusted basis with revenue between $238 million to $240 million. That's down from a July forecast for revenue between $246 million and $249 million and adjusted earnings per share of 5 cents to 7 cents. Analysts were expecting earnings of 7 cents per share on revenue of $248.4 million.

Shares fell $1.39, or nearly 17 percent, to $6.81 in after-hours trading. Its stock price fell nearly 7 percent to close regular trading at $8.20.

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